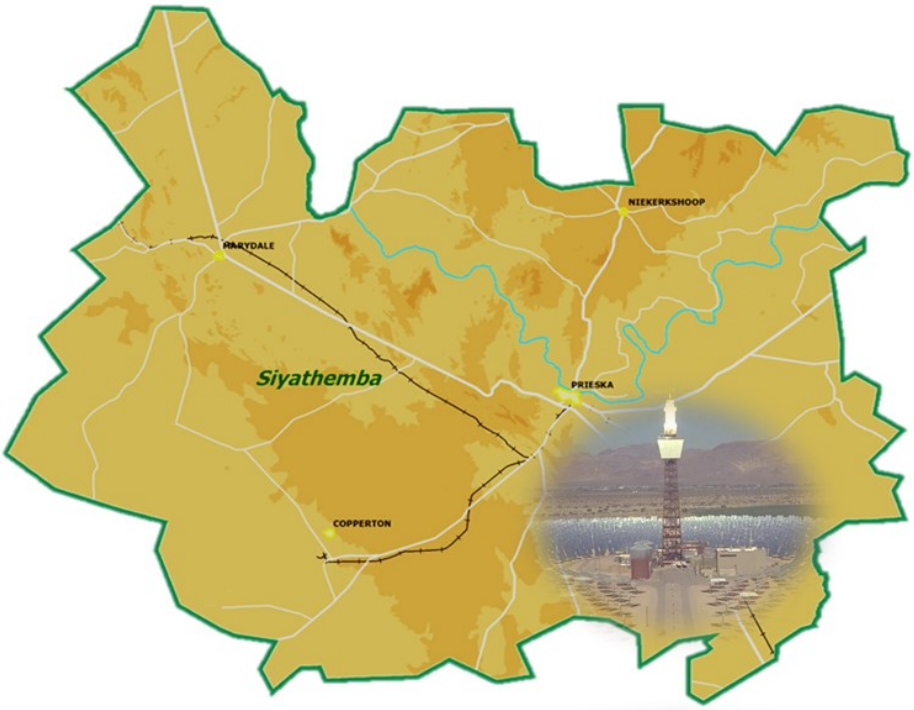
Siyathemba Municipality

INTEGRATED DEVELOPMENT PLAN (IDP) – FINAL

(RESOLUTION NO: 5.4-31/01/2018)

2018/19



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PREAMBLE

In accordance with the requirements as spelled out in the Local Government: Municipal Systems Act (2000), Siyathemba Municipality has embarked on a review of its integrated development plan (IDP), which was originally drafted in April 2002. This document is being reviewed on an annual basis and the following review dates can be reported 01 April 2004, 30 May 2005, 31 October 2005, 17 May 2007, 30 May 2008, 06 November 2008, 30 June 2010, 04 May 2011, 31 May 2012, 29 May 2013, 31 May 2014, 31 March 2015, 31 May 2016 and on the 31 May 2017 and 29 May 2018 for the 2018/19 financial year. The purpose of the review was primarily to see if it is still relevant to the needs of the people of Siyathemba as well as to identify any new opportunities that might have availed themselves. The previous version of the Siyathemba IDP, and the IDP of the Pixley Ka Seme District Municipality were used as the main source documents. Needless to say, the reviewed IDP provides a framework that will guide the delivery of services at the Siyathemba Municipality in its efforts to remain a developmental municipality. This is also the second year in which the "Simplified Format" introduced by the Department of Cooperative Governance, Human Settlements and Traditional Affairs.

The preparation of the original IDP entailed extensive consultations with the communities of the municipal area, as well as other stakeholders such as provincial, regional and local government departments, the PIMS Centre of the Pixley Ka Seme District Municipality, the different business sectors as well as other relevant stakeholders. The IDP Representative Forum played a critical role throughout this process.

As a comprehensive planning tool, it is hoped that this document will live up to the purposes for which it was meant. As a five-year planning document, the IDP leaves us with considerable hope that the considerable developmental backlogs facing Siyathemba will be addressed over this period. This tool is not only an excellent learning exercise for the municipality and its staff; but also for the entire community and the other spheres of government.

The contributions made by the different sectors in the compilation of this document are highly appreciated and it is hoped that the Municipality's partners will stay the course and remain our partners in the implementation of the IDP.

SPEECH

By

Mayor

SIYATHEMBA LOCAL MUNICIPALITY

Honourable Councillors of the Siyathemba Municipality;
Our esteemed partners in service delivery Our invited guests;
Municipal Manager and Senior Management of the Municipality; and Residents and citizens of the Siyathemba Municipal Area.

It is our pleasure to table to you our plans for the financial year 2018/19, for the Siyathemba communities. Allow me to highlight that the National Development Plan form part of the basis for development initiatives in the municipality.

Whilst this good basis for alignment, it means that our residents are able to witness government at work in their neighbourhoods.
The year 2018 is also declared as the year of Nelson Rolihlahla Mandela, we are celebrating the centenary of our Revolutionary Icon who would have turned a 100 year this year.

Honourable Councillors, ladies and gentleman allow me to quote some of Madiba's wise words: -
"What counts in life is not the mere fact that we have lived in it, it's what difference we have made in others' lives that will determine the significance of the lives we lead"

Honourable Councillors, Colleagues and Friends
Reconstructing and readdressing the imbalances and inequalities that South Africa face today, is not a Government issue anymore, but business, private sector and all formations of society issue – irrespective of Race, Religion, Culture or any Social differences.
We must form an integrated approach to address the challenges facing –Siyathemba and South Africa today.

Land expropriate without compensation, is the way for Government to go in order to address the imbalances and inequalities of Land to all South Africans.

We don't have to fear or feel threatened by this mandate, we must understand that our Government is having the political capacity and will not repeat what happened in the past. There will be a consultative and a proper dialogue approach in due time in order to address the land issue in the Country.
Somethings always seems impossible until its done
The elected Siyathemba Municipal Council, reconfirmed that indeed our vision is:

"A municipality that cares"

The abovementioned vision will be anchored in the following mission and values which we will pursue endlessly over our remaining term and of course to the benefit of the people of Siyathemba:

"Caring for our communities and stakeholders through: -

- ✓ ***Management of negative perceptions within the municipality***
- ✓ ***Communicating information with our stakeholders, openly and honestly***
- ✓ ***Delivering quality and reliable services to all our communities and***
- ✓ ***Responsive governance"***

This vision and mission is underpinned by the following values: -

- ✓ ***Openness***- our intentions must be known by all and at all times
- ✓ ***Fairness***- All our stakeholders will be treated equally
- ✓ ***Responsibility***- we shall own up to all our decisions and actions
- ✓ ***Transparency-*** We shall handle our dealings honestly and openly

We also, in this budget would like to achieve the following crucial commitments

- ✓ ***Improve and sustain our Infrastructure***
- ✓ ***Creating an economically enabling environment***
- ✓ ***Capacitating our communities with knowledge and understanding of their environment***
- ✓ ***Creation of a sound financial management and administration system***
- ✓ ***The creation of systems for accountability, oversight and communication***
- ✓ ***Creation of a sound financial management and administration system***

It is important to mention that as we present this budget, Siyathemba Municipality managed to spend all its grants and on time, we did not have to surrender any monies due to our inability to implement projects. Ladies and gentlemen, this situation speaks to our ability to manage our infrastructure development projects better.
When we say we are going to **improve and sustain our Infrastructure,** we are sure that our capacity to implement projects from start to finish, on time and in budget stands us in good stead and is a sign of our intent to expand the current infrastructure within the municipality. Further to this, we wish to highlight that our intention in the new financial year is to expand our Operations and

Maintenance within the municipality. This is mainly so that we may preserve and prolong the lifespan of our infrastructure.

We are pleased to announce that we have adopted a value system that will facilitate that we render the services to our communities with the highest level of dignity and appreciate the communities as our most valued stakeholders.

We further commit to **creating an economically enabling environment**, this is because as our vision states, we are aware that there are many factors that drive a thriving municipality. In this regard, we are going to spare no effort in ensuring that we create an economically enabling environment. I need to mention a few things we are targeting in this regard:

i. The creation of an economically and investor friendly policy regime,
ii. The attainment of a clean audit,
iii. The improvement of our cash position and as such our ability to raise capital
iv. The creation of sustainable jobs for the people of Siyathemba

We also acknowledge that there has been a bit of descent from the communities and we think the root of it is the community not understanding the local government system properly. We therefore are committing to **capacitating our communities with knowledge and understanding of their environment** so that we can create social cohesion and as such a prosperous community. We thus commit to a more visible council both individually and as a collective, we commit to a strengthened Ward Committee system and an improved communication system with communities.

The aforementioned forms the basis for the **creation of systems for accountability, oversight and communication**; this in reality means that we are going to be more accessible and give more reports to the various stakeholders and even allow for certain systems of community based engagements within the various wards. In a nutshell we are going to leave no space for confusion within the communities. We understand the trust that they have bestowed upon us and we promise to reciprocate it in a positive manner.

We further wish to affirm that all of the things mentioned above will be underpinned by the **creation of a sound financial management and administration system** in order to be able to ensure the realization of the vision of council and by extension the will of the people.
We are pleased to present a budget of a total expenditure of **R 126,529,000.00.** This total expenditure is divided into two major components and these are:

Operating Budget of R 108,584,000.00

From this total operating budget the total employee related costs are **R 47,275,000.00** and this account for **44%** of the total budget. The norm is 35%. The municipality is working on decreasing this percentage.

Capital Budget of R 18,324,000.00

This capital budget will be spent as follows:

- Office Equipment and computers
- Electricity
- Water
- Waste Water
- Roads & Storm Water
- Library Services

The Capital Budget accounts for 17% of the total budget of the municipality.
This could be attributed to the fact that according to the Community Survey 2016 from Stats SA, there has been a decline in the population of Siyathemba and the population is now 23075.

Ladies and gentlemen, you will note that this capital budget inhibits the municipality from implementing all its priorities as outlined in the IDP. This situation is further exacerbated by the fact that the municipality is unable to utilise its own plant (yellow fleet) for our day-to-day operations. Had we had our own plant, we would have been able to spend more time providing effective and reliable services. It is therefore our desire to explore the desirability and feasibility of taking up a loan for this purpose.

Councillors, in order to fund the expenditure of the municipality, the municipality will have to put in place a number of revenue related measures and it is hoped that these will reach a total of R **126,529,000.00**. This is accounted for in the form of grants from National Government and these are viz:

Operating Transfers and Grants	**Amounts**
Local Government Equitable Share	R 29 848 000.00
Finance Management	R 2 415 000.00
EPWP Incentive	R 1 000 000.00
Sport and Recreation	R 1 090 000.00
Total Operating Transfers and Grants	**R 34 353 000.00**
Capital Transfers and Grants	**Amounts**
Municipal Infrastructure Grant (MIG)	R 9 724 000.00
Electrification Grant (INEP)	R 1 100 000.00
Water Service Infrastructure Grant	R 7 500 000.00
Water Service Infrastructure Grant (Allocation in kind)	R 5 949 000.00
Regional bulk infrastructure Grant (Allocation in kind)	R 5 948 000.00
INEG Eskom Grant (Allocation in kind)	R 5 788 000.00
TOTAL CAPITAL TRANSFERS AND GRANTS	**R 36 009 000.00**

The municipality will however need to generate its own income by delivering services to its customers and collect property rates tax from all property owners within the municipality. In this regard the taxes are and tariffs for services delivered will be affected as such:

Rates

We instituted a new General Valuation Role and new tariffs for property rates will the applicable and is available in our full Tariff List

Electricity

6% (This is lower than the NERSA approved tariffs of 6.88%)

Water

6% (on step tariffs)

Waste Water Management

6%

Solid Waste

6%

All the tariffs fall within the National Treasury Budget Circular, Circular 91, which was issued by National Treasury as the guideline for the preparation of the 2018/19 Municipal Budgets

Councillors in the presence of all stakeholders and in particular the communities, allow me to reflect on the state of outstanding debt in the municipality. The Siyathemba Municipality is owed a total of over R 74,728,000.00 million by its customers. This in effect would have meant that the municipality would have had more than R 74 million in capital projects. Can you imagine what can be done with R 74 million?

It is our hope to recover this amount of money and in the process, supplement our service delivery efforts. In this regard, I urge councillors to be vigilant in the encouragement of customers to pay their rates and taxes and once more for the indigents, we have a process that governs our assistance to them and we need to encourage them to register. We will need to change the payment culture in the municipality and look and endeavours to enhance revenue. Having said that I think we are all in agreement that we will start with our own officials and councillors who have outstanding municipal debt and we must consistently take a no-nonsense approach towards this.

Councillors, the officials and in particular the senior management have committed to ensuring that they will institutionalise our vision and as such ensure that the municipality moves one step closer to be a self-sufficient municipality. I believe that the success of this budget lies in those efforts and the efforts of the collective to be conscious and diligent in the execution of their duties.

Enkosi, Baie dankie, Thank you, Ke a leboga

Thank You

1 VISION, MISSION AND CORE VALUES

Siyathemba Local Municipality has the ability to overcome its internal challenges and address the national matters like poverty, unemployment, HIV/AIDS, crime, teenage pregnancies and education. These challenges require commitment and discipline from all and an integrated government approach. Senior Management of the Siyathemba Municipality has no illusions about the challenges and is prepared to work tirelessly in meeting the high expectations of our people[1].

1.1 VISION

"A municipality that cares"

1.2 MISSION

"Caring for our communities and stakeholders through: -

- Management of negative perceptions within the municipality
- Communicating information with our stakeholders, openly and honestly
- Delivering quality and reliable services to all our communities and
- Responsive governance"

1.3 CORPORATE CULTURE AND VALUES

- ***Openness***- our intentions must be known by all and at all times
- ***Fairness***- All our stakeholders will be treated equally
- ***Responsibility***- we shall own up to all our decisions and actions
- ***Transparency-*** We shall handle our dealings honestly and openly

1.4 STRATEGIC ISSUE IDENTIFIED

1.4.1 BASIC SERVICE DELIVERY

Issue	Implications	Strategy
Service delivery not in a sustainable manner	Unhappy communities; Unequal development in the area; divided community; constant service interruption	Develop Different Sector Plans to ensure equal and sustainable development of the whole area
Old Infrastructure & Assets	Cannot utilise MIG for O&M	Try to develop proper Tariffs to ensure O&M budget.
	Water and other critical resource losses	Ensure that the municipality has an effective maintenance and replacement strategy
	Lack of faith in municipality by investors and service interruptions	Increase municipal revenue through credit control
Lack of effective disaster management systems	Loss of lives;	Improve the capacity of the municipality to respond at a minimalist level to disasters
	Inability to respond to disasters	

1.4.2 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Issue	Implications	Strategy
Low skills base	Poor performance and compromising service delivery	Create and implement a vibrant WSP
Staff Training, No PMS, Organogram	Staff is employed in wrong positions	Compiling Org & PMS System
	No formal PMS Reporting	Develop a WPS Plan
Low staff morale	Non-and underperformance-unfriendly environment	Develop and implement a holistic staff development process starting with a consultation process
	Lack of trust between workers and management	
	Process taking longer to implement	
Staff shortages in key position	Exercise our time quality time at work	Implement recruitment policy
	Overburden on certain staff	Report to council on the recruitment
	Lack of certain services due to the challenges	

1.4.3 LOCAL ECONOMIC DEVELOPMENT

Issue	Implications	Strategy
No Economic Growth	Stagnation in growth in the area	Creating an enabling economic environment and strategy

1.4.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Issue	Implications	Strategy
Financial constraints	Hampering Service Delivery	Implementing revenue enhancing strategies
	No staff development	
Creating different income streams	Loss of Potential income	Create an enabling an Income generating environment
	Not meeting certain financial commitments	
	Key ratios of the municipality being over the norm	
Disclaimer	Negative perception about the municipality	Compile Audit Action Plan and implement to the latter.
	Negative impact on investment	

1.4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

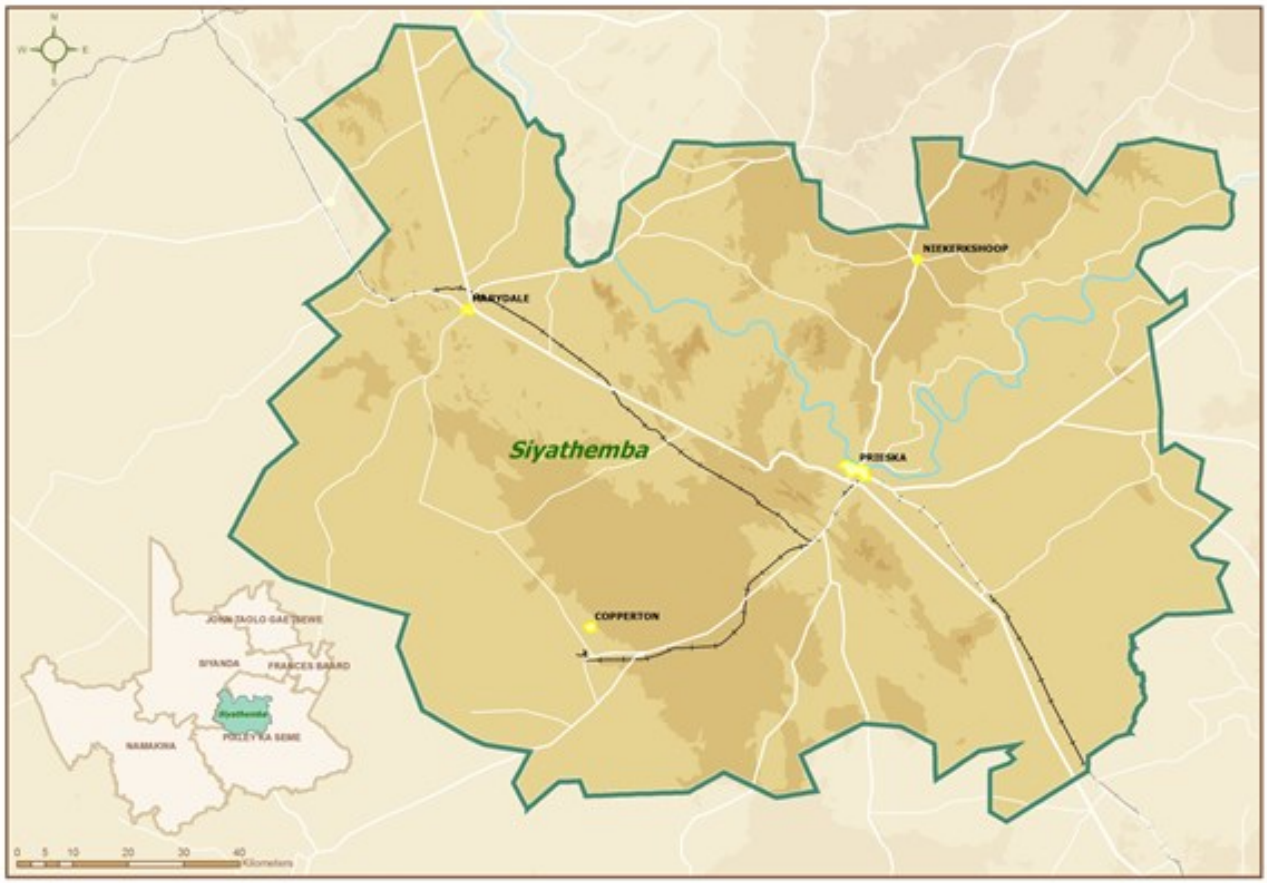
Issue	Implications	Strategy
Improve the functioning of committees	No clear accountability on the part of Senior Management	Mayor to ensure regular Meeting of Council Standing Committees; Internal Discipline; Supply Chain Management; MPAC functionality
	Mistrust between council and Management	
	An uninformed council	
Improve the communication and liaison with communities	No clear understanding of what the municipality and council are doing	Implement a quarterly Council meets the people programme
	Unnecessary community dissatisfaction	Establish ward committees
	Prolonged community protests	Develop a community communication and stakeholder engagement strategy
	Non-functional ward committees	
Improve liaison with sector and other government agencies	No cooperation between the municipality and other departments	Develop and implement an IGR Strategy
	Limited implementation of projects	

DEMOGRAPHIC PROFILE OF THE MUNICPALITY

1.5 LOCALITY OF THE MUNICIPALITY

Siyathemba Municipality is a Category B Municipality (NC077), established in 2001, in accordance with the demarcation process. The Municipality is located within the central eastern parts of the Northern Cape Province on the banks of the Orange River, and falls within the boundaries of the Pixley Ka Seme District. The nearest business centre is Kimberley, which is about 220km away.

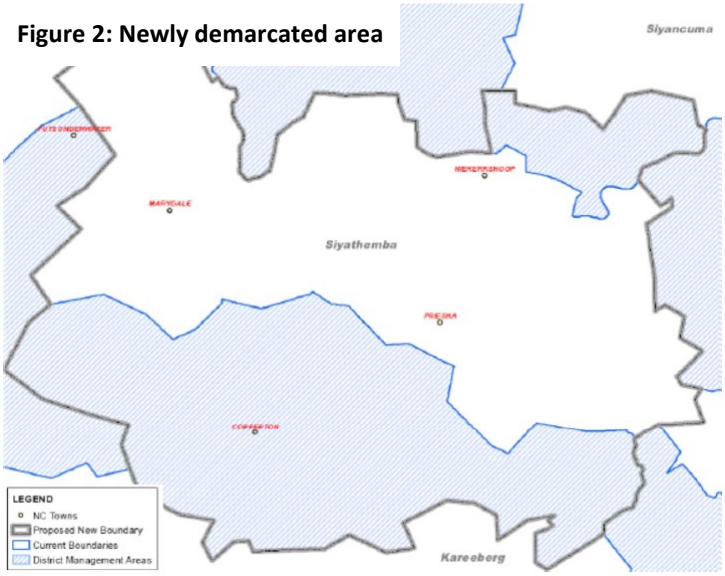
Figure 1: Locality map



Siyathemba Municipality was initially made up of three entities, namely, Prieska, Marydale and Niekerkshoop. After demarcation the area was extended to include not only the towns and surrounding suburbs of Marydale, Niekerkshoop and Prieska but also Copperton.

Copperton is an old mining town that was sold to a private owner after the closing of the Mine. The town is currently on a long-term lease by the Request Trust.

Figure 2: Newly demarcated area



Some of the houses were initially demolished and after the lease agreement was signed with the Request Trust, an agreement was reached that the rest of the houses could be retained. An agreement was reached between the Lessee and Alkantpan (Armscore) for the delivery of water, sanitation, and electricity services. Armscore also maintained one of the main roads.

The municipal area encompasses a geographic area of approximately 8,200km², which implies that Siyathemba Municipality accounts for 8% of the total district surface area and approximately 3% of the provincial area. The Municipality is divided into 4 Wards.

Table 1: Local Municipality Structure

Ward	Area[2]
Ward 1	**e'Thembeni and Parts of West-End in Prieska**
Ward 2	**Bonteheuwel and Parts of West-End in Prieska**
Ward 3	**Section in Prieska including Copperton, farms and Niekerkshoop town**
Ward 4	**Section in Prieska, farms and Marydale**
Ward 5	**Ext 15, Smarty Town, Krygkor, the Bult and Town areas in Prieska.**

2 Mr Johann Badenhorst 20th June 2011

1.6 SOCIO-ECONOMIC CONDITIONS OF THE MUNICIPAL AREA

1.6.1 MUNICIPAL POPULATION

The local and regional population is illustrated in the table below. From this Table, it is evident that the Siyathemba Municipality had a local population of just more than 21,000 people during 2010[3].

Table 2: Regional Population by Age

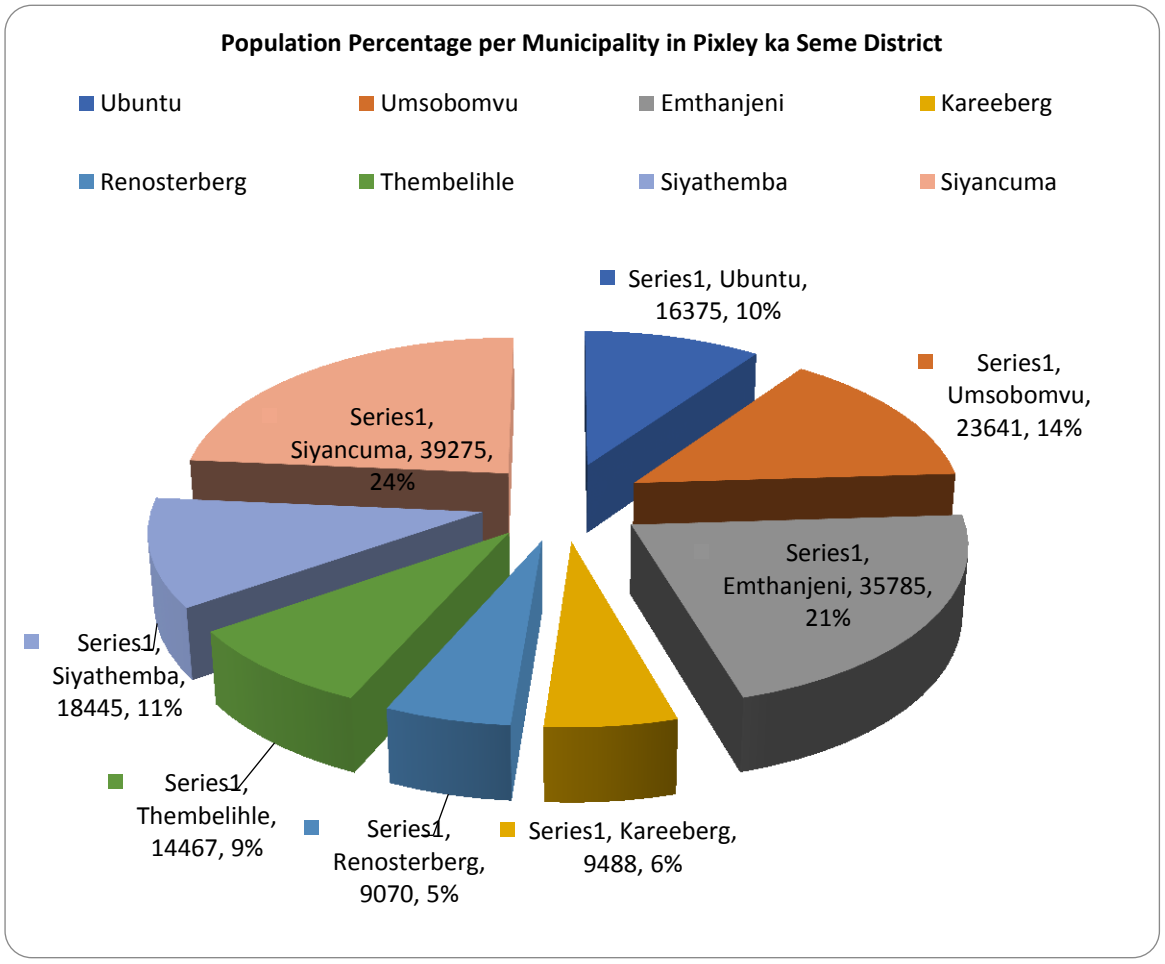
		Population		Age Structure					
				Less than 15		15- 64		65 plus	
		2001	2011	2001	2011	2001	2011	2001	2011
DC 07	Pixley ka Seme DM	166547	186351	32.6	31.6	61.5	62.4	5.9	6.1
NC 071	Ubuntu	16375	18601	33.2	33.3	61.1	61.1	5.7	5.6
NC 072	Umsobomvu	23641	28376	33.7	31.4	61	62.8	5.3	5.8
NC 073	Emthanjeni	35785	42356	31.6	31.7	62.4	62.5	6	5.8
NC 074	Kareeberg	9488	11673	32.6	29.4	59	62.5	8.4	8.1
NC 075	Renosterberg	9070	10978	32.9	32.8	60.6	61	6.5	6.2
NC 076	Thembelihle	14467	15701	32.1	30.9	61.9	62.8	5.9	6.4
NC 077	Siyathemba	18445	21591	33.7	30.8	60.4	63.2	5.9	6
NC 078	Siyancuma	39275	37076	32.3	32.2	62.1	62.2	5.6	6

	2004	2006	2008	2010	2011
South Africa	46,745,940	47,827,370	48,911,245	49,991,472	-
Northern Cape	1,088,672	1,089,227	1,093,823	1,103,918	-
Pixley Ka Seme	190,396	185,334	180,082	179,507	186,351
Siyathemba	21,441	21,312	21,239	21,333	21,591

Source: Statistics South Africa 2011

3 LED Strategy, March 2012

Figure 3: Population Percentage



Source: Statistics South Africa 2011

In regional context, this meant that the Siyathemba Municipality contributed 11.9% to the District population (i.e. the second largest Local Municipality in the District by population) and 1.9% to the population of the Northern Cape.

The most dominant population group is Coloured[4]. This group represents 80% of the total population in the municipal area. The other groups are black (12%) and white (8%).

Afrikaans[5]is the most widely spoken language (78%). There are an insignificant number of people which speaks other languages. A total of 824 people indicated that IsiNdebele is their first language and 91 people speak Setswana.

4 Community Survey 2007; www.statssa.gov.za

5 Community Survey 2007; www.statssa.gov.za

1.6.2 AGE AND GENDER COMPOSITION

The Age & Gender Profile of the local population is illustrated by Figure 1[6]. With regards to this Profile, the following observations were made:

Figure 4: Age and Gender profile

Municipality	Black African		Coloured		Indian or Asian		White		Other	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Ubuntu	2073	1890	6288	6690	51	45	702	708	114	42
Umsobomvu	8532	9222	4161	4512	96	57	780	825	120	66
Emthanjeni	6879	7179	11865	12573	153	81	1653	1734	171	66
Kareeberg	348	210	4830	5106	27	27	510	555	39	18
Renosterberg	1758	1857	3072	3225	36	21	462	480	42	21
Thembelihle	1245	1143	5508	5601	69	12	1101	954	54	15
Siyathemba	2076	1974	7659	7863	66	45	891	936	69	9
Siyancuma	6147	6075	10581	10719	144	105	1395	1383	303	222

- There were slightly more females (51.4%) than males (48.6%) among the local population during 2010. It was, however, noted that the population became slightly less female dominant since 2000, when 52.4% of the population were female.
- The working age group (15 to 64) contributed 64.4% to the local population in 2010. This age group has increased proportionately (from 58.6% to 64.4%) in relation to the other age groups. Since 2000, this group increased by approximately 1,210 people.
- The working age population is slightly male dominant. Since 2000, male working age population increased by around 928 men in absolute terms whiles the number of women increased by about 282.
- The age dependency ratio declined from 0.7 in 2000 to 0.6 dependents (children & the elderly) in 2010 for every working age adult.
- Since 2000, the proportion of children under the age of 15 declined by 6.7%. This means that the age profile of the local population is becoming older. The number of children in the area also declined from around 14,700 during 2000 to just above 12,000 in 2010.

The population of Siyathemba declined from just over 21,370 people in 2000 to about 21,330 in 2010 (see Figure 2.2). This implies that the population contracted by 0.4% on average per annum. This growth rate is slightly lower in the Pixley Ka Seme District Municipality, which contracted 0.7% p.a. The decline of the Siyathemba population was mainly driven by lower fertility rates.

6 LED Strategy, March 2012

1.6.3 HIV/AIDS PREVALENCE[7]

In the Draft LED Strategy for Siyathemba Municipality, reference is made to the HIV/AIDS prevalence in the area. It is indicated that data from the Actuarial Society of South Africa was used. During 2010, the HIV/AIDS prevalence rate of the Siyathemba population was 6.0% compared to the District rate of 6.5%. These rates compared well to the Northern Cape (7.6%) and South African (12.6%) averages in the same year.

1.6.4 WATER

Table 3 below gives a comparative indication of the status of water provisioning in the district as captured during the 2001 census.

Table 4: Source of Water per Local Municipality

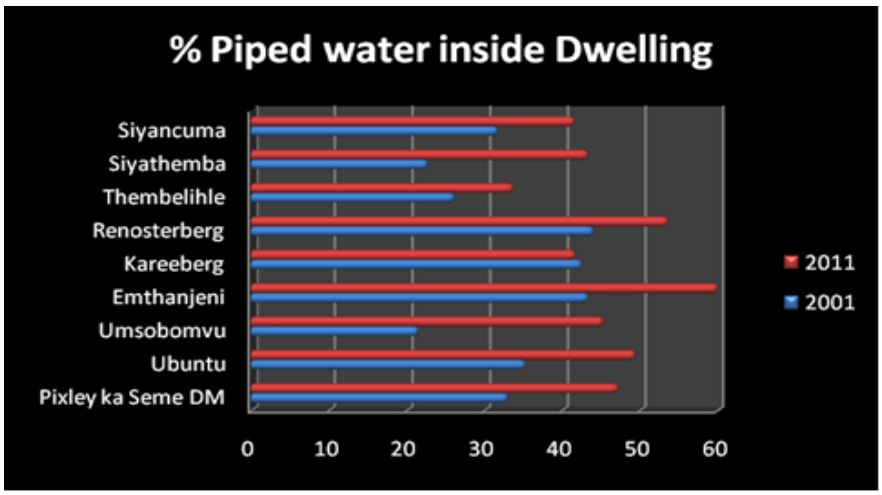
	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool /stagnant water	River/ stream	Water vendor	Water tanker	Other	Grand Total
Ubuntu	3477	1215	36	24	210	6	3	117	30	5118
Umsobomvu	6546	831	12	12	147	39	33	153	57	7830
Emthanjeni	9183	1068	15	21	33	3	33	51	36	10443
Kareeberg	2298	774	3	18	24	-	9	81	12	3219
Renosterberg	2394	450	6	3	69	48	-	15	9	2994
Thembelihle	3117	831	3	6	21	114	3	42	3	4140
Siyathemba	4539	762	-	3	66	336	6	75	30	5817
Siyancuma	6348	1677	72	18	135	780	48	408	93	9579
Grand Total	37902	7608	147	105	705	1326	135	942	270	49140

Source: Statistics South Africa 2011

Significant progress has been made regarding the provision of water but backlogs still exist. 95% of the households in the district are provided with free basic water (FBW) which is above the provincial average of 87, 7%. Only 3% of households had NO access to piped water 46% had piped water inside dwelling by 2011.Piped Water inside Dwelling is about 47.00%.The table below indicates the provisioning of FBW for all municipalities in the district:

Figure 5: Piped Water inside Dwelling

7 LED Strategy, March 2012



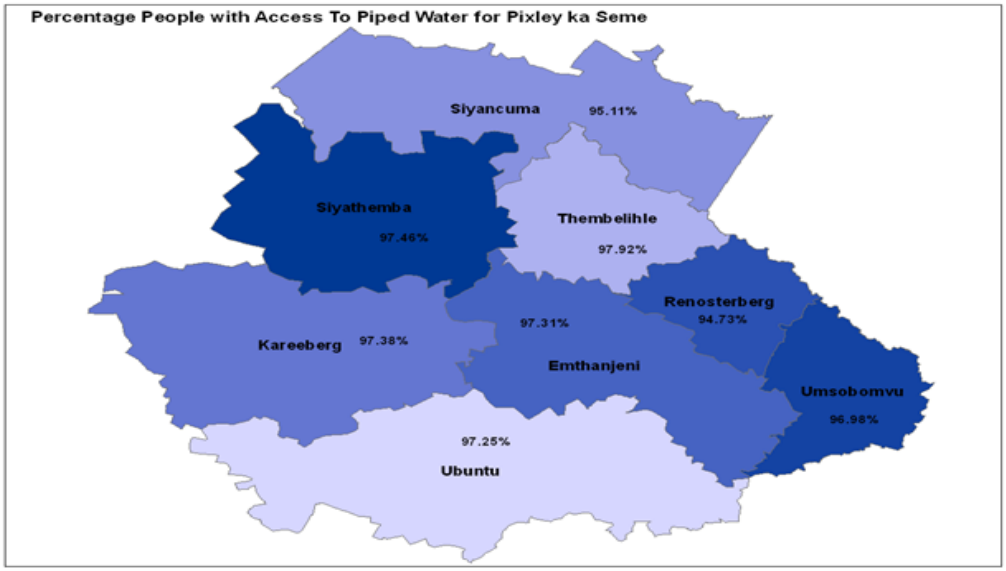
Source: Statistics South Africa 2011 Census

Table 5: Access to water by households

	Piped (tap) water inside dwelling/institution	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	No access to piped (tap) water	Grand Total
Ubuntu	2526	2217	282	36	9	3	48	5121
Umsobomvu	3531	3702	381	108	6	6	93	7827
Emthanjeni	6249	3741	243	108	21	6	78	10446
Kareeberg	1338	1521	225	93	9	3	33	3222
Renosterberg	1599	1233	81	51	6	6	21	2997
Thembelihle	1389	1815	471	291	63	99	15	4143
Siyathemba	2508	2958	264	21	3	3	60	5817
Siyancuma	3957	3354	1227	483	213	18	327	9579
Grand Total	23097	20541	3174	1191	330	144	675	49152

Source: Statistics South Africa 2011

FIGURE 6



Source: Statistics South Africa 2011

Even though many urban residents in the region have access to water and improved sanitation system, some local municipalities are still having water and sanitation backlogs. Siyancuma local municipality has the highest backlog. The table below gives a reflection of the current situation in the region as at March 2011

Table 6: Backlogs March 2011

Municipality	Water	
	Formal	Informal
Emthanjeni	2	0
Ubuntu	0	0
Umsobomvu	2	0
Renosterberg	3	0
Kareeberg	0	0
Siyathemba	31	0
Siyancuma	66	667
Thembelihle	0	0
Total	104	667

1.6.5 SANITATION

Sewerage and sanitation are basic needs of communities which can pose serious health and hygiene risks for communities and the environment at large if not properly managed and monitored. According to the White Paper on Basic Household Sanitation, 2001, basic sanitation is defined as: "The minimum acceptable basic level of sanitation is:

- Appropriate health and hygiene awareness and behaviour
- A system for disposing of human excreta, household waste water ad refuse, which is acceptable and affordable to the users, safe, hygienic and easily accessible and which does not have an unacceptable impact on the environmental and
- A toilet facility for each household"

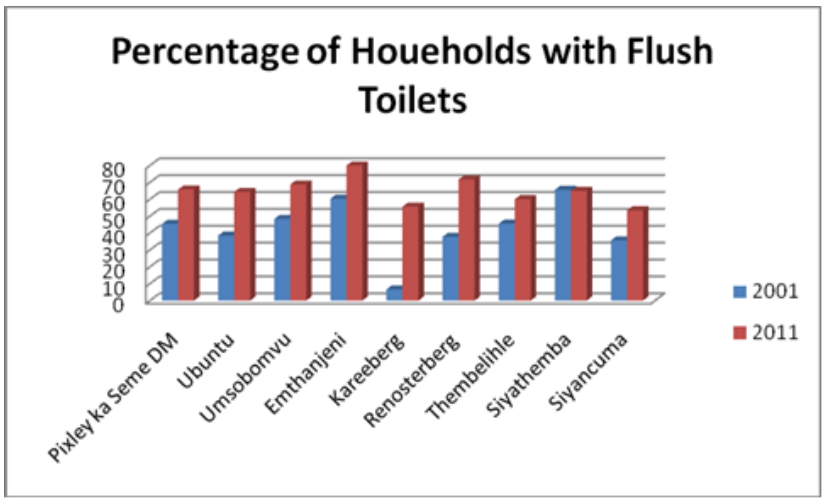
Table 6 below provides an indication of the types as well as those without sanitation in the district:

Table 7: Sanitation per Local Municipality

	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet
Ubuntu	3300	513	33	180	111	402
Umsobomvu	5388	414	222	852	75	117
Emthanjeni	8319	576	24	336	141	627
Kareeberg	1794	414	6	453	141	96
Renosterberg	2145	342	3	189	51	57
Thembelihle	2484	225	18	456	483	9
Siyathemba	3786	369	6	681	297	213
Siyancuma	5115	651	24	777	618	1152
Total	32331	3504	336	3924	1917	2673

Source: Statistics South Africa 2011

FIGURE 7



Source: Statistics South Africa 2011

The table and the Map above shows that, Pixley Ka Seme has Flush Toilet Connected to Sewerage at 65.70%households, Emthanjeni being the highest with 85.06% and Thembelihle being the east with 64.41%. However it must be mentioned that a project is currently in progress through funds from the Pixley Ka Seme District Municipality to replace buckets with the UDS system. The final 68 toilets have been finalised during this current financial year in Campbell. Full water borne sanitation is currently being constructed in Schmidtsdrift and the sanitation system will be completed with the completion of the house structures.

Table 8: Sanitation Backlogs 2011

Municipality	Sanitation	
	Formal	Informal
Emthanjeni	67	0
Ubuntu	1	0
Umsobomvu	2	205
Renosterberg	32	330
Kareeberg	0	126
Siyathemba	341	129
Siyancuma	2	872
Thembelihle	0	0
Total	445	1662

1.6.6 REFUSE REMOVAL

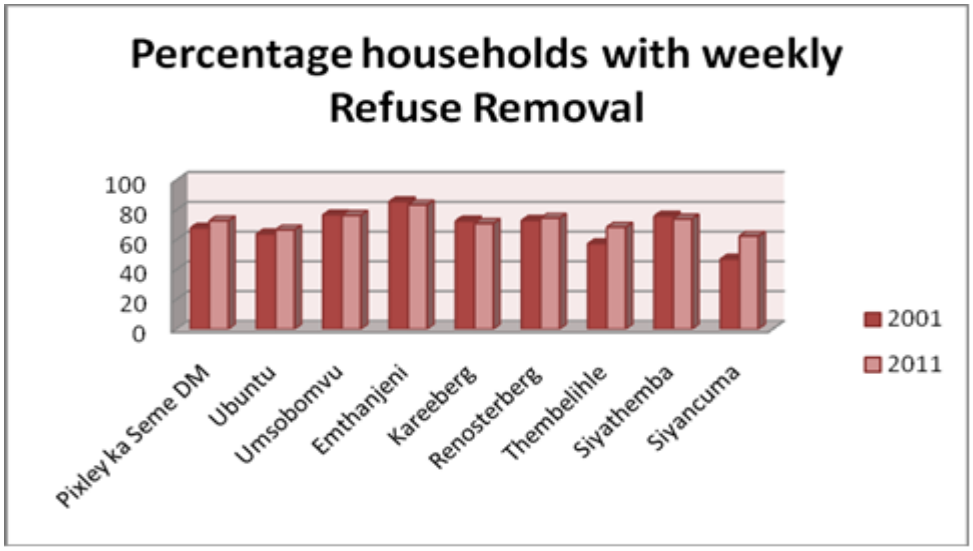
Weekly Refuse Removal in PKSD is about 72.60%.The number of households that are not provided with a refuse removal service in each municipality
is indicated in the table below

Table 9: Refuse removal according to Census 2011

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Grand Total
Ubuntu	3417	39	108	1191	309	60	5124
Umsobomvu	5982	273	174	1245	132	24	7830
Emthanjeni	8709	216	90	1038	141	249	10443
Kareeberg	2283	15	15	762	111	33	3219
Renosterberg	2226	48	48	582	81	9	2994
Thembelihle	2832	33	189	564	483	39	4140
Siyathemba	4305	60	144	1062	234	15	5820
Siyancuma	5964	111	111	2568	741	84	9579
Grand Total	35718	795	879	9012	2232	513	49149

Source: Statistics South Africa 2011

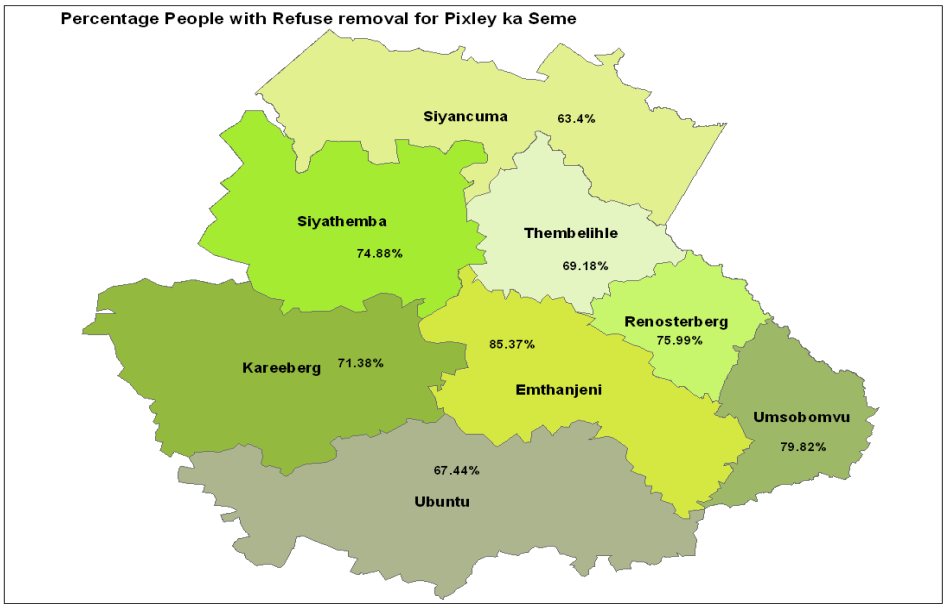
FIGURE 8



Source: Statistics South Africa 2011

On refuse removal, the District has a backlog of 11 279 households. The local municipalities with the most backlogs (households that rely on their own refuse dumps or do no rubbish disposals at all) are Renosterberg, Thembelihle and Kareeberg. In Siyancuma, 3 299 out of 9 506 have refuse removal backlogs (the highest backlogs in all the local municipalities). In Ubuntu, 1 416 out of 4 161 have backlogs and in Thembelihle 1 216 out of 3 592 households have refuse removal backlogs.

FIGURE 9



Source: Statistics South Africa 2011

1.6.7 ELECTICITY

The table below gives a comparative indication of the access to the source of energy in the district as captured during the 2011 censuses.

The proportion of households using electricity for lighting has increased from 57% in 1996 to 84% in 2011. South Africa aims to ensure that by 2030 at least 90% of people have access to grid electricity. Increase in both demand and tariffs may slow down this last effort.

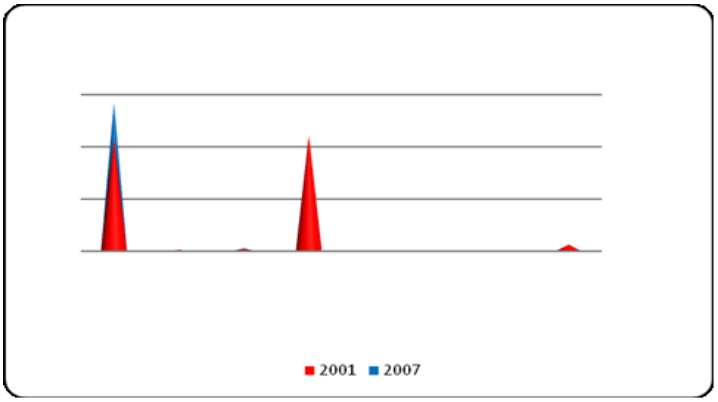
Households using electricity as a source of energy for cooking increased from 47,5% in 1993 to 73,9% in Census 2011.

Table 10: Energy for heating per Local Municipality

	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar
Ubuntu	3180	111	219	1356	81	3	18
Umsobomvu	2709	216	2721	1182	297	12	15
Emthanjeni	6921	258	1026	1131	402	36	42
Kareeberg	1617	141	63	1062	114	3	24
Renosterberg	1998	45	183	531	6	-	9
Thembelihle	1818	120	96	1362	9	-	24
Siyathemba	3057	69	51	2298	18	-	18
Siyancuma	5112	126	57	3480	93	3	21
Total	26412	1086	4416	12402	1020	57	171

Source: Statistics South Africa 2011

Figure 10



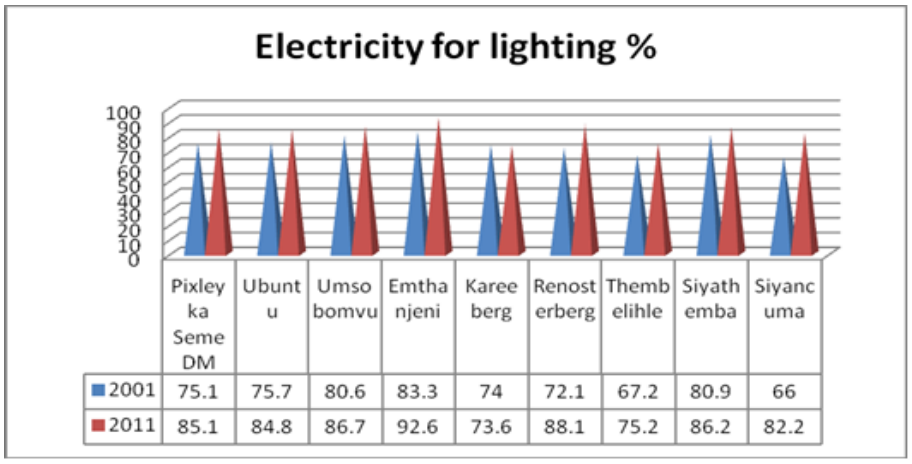
Although relatively expensive, paraffin and gas are used on a limited scale for cooking and heating. Animal dung also features on a limited scale as energy/fuel source for cooking and heating in some rural areas.

Table 11: Energy for lighting per Local Municipality

	Electricity	Gas	Paraffin	Candles (not a valid option)	Solar
Ubuntu	4350	18	33	561	138
Umsobomvu	6801	15	135	855	15
Emthanjeni	9684	18	54	609	63
Kareeberg	2370	9	39	564	231
Renosterberg	2637	6	24	297	24
Thembelihle	3111	9	99	861	45
Siyathemba	5025	9	42	639	102
Siyancuma	7872	6	36	1551	75
Total	41850	90	462	5937	693

Source: Statistics South Africa 2011 Census

Figure 11



The combination of low rainfall, relatively high population densities and the fact that most of the indigenous vegetation in the area is slow growing, have already resulted in over-utilization of this renewable natural resource in certain places. Of major concern in this respect is wood harvesting and usage in the rural areas.

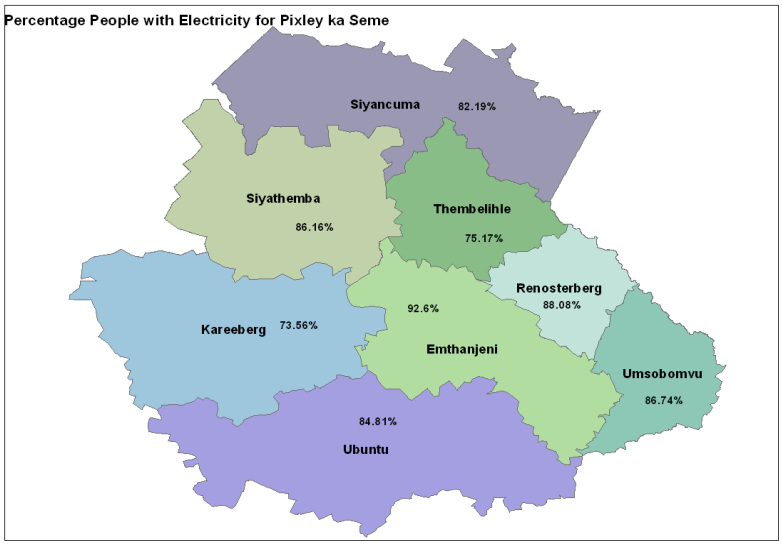
Table 12: Energy for lighting per Local Municipality

	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar
Ubuntu	3927	228	171	744	24	3	18
Umsobomvu	6174	348	828	393	42	21	12
Emthanjeni	9105	420	240	603	27	18	9
Kareeberg	2103	300	63	696	21	-	24
Renosterberg	2469	102	132	261	6	-	9
Thembelihle	2613	684	375	435	3	-	9
Siyathemba	4788	255	51	699	6	3	15
Siyancuma	7182	471	207	1671	15	-	9
Total	38361	2808	2067	5502	144	45	105

Source: Statistics South Africa 2011 Census

There has been an increase in the use of electricity as an energy source and a decrease in the use of paraffin, gas and candles as a source of energy/lighting. Siyancuma, Emthanjeni and Ubuntu have the highest number of backlogs, representing approximately 59,5% of the backlogs in the district.

FIGURE 12



Source: Statistics South Africa 2011 Census

All the recent information indicates that much of the district households 83% households have access to electricity for lighting and cooking purposes. As much as the existing situation is encouraging, it is however very important to note that some households (17%) are still using candles and paraffin as alternative power sources for meeting their power needs.

1.6.8 HOUSING

All local municipalities are composed of various residential components varying from formal housing units to informal dwelling units as indicated in the table above. Within the District, 82, 8% of households live in formal housing, 10,8% in informal housing and only 2% in traditional houses. Households in the whole PKSD is about 49 193 in respect to the Census 2011, where the average Household Size is about 3.70%, female headed households is about 36.90%, formal dwellings at 86.30% and the housing owned is at 52.00%

Table 13: Enumeration Area type by Local Municipality

	Formal residential	Informal residential	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial
Ubuntu	13926	339	-	3729	-	-	444	-	54	105
Umsobomvu	23361	1890	-	2451	45	264	222	-	96	45
Emthanjeni	39306	-	-	2499	9	3	6	483	39	9
Kareeberg	9450	-	-	2118	-	-	102	-	3	-
Renosterberg	8934	801	-	1173	-	-	-	57	15	-
Thembelihle	13989	-	-	1626	-	12	-	-	75	-
Siyathemba	18555	-	-	2763	-	-	24	162	90	-
Siyancuma	26061	2697	-	7125	-	-	486	594	114	-

Source: Statistics South Africa 2011 Census

1.6.9 TELEPHONES

According to the table below most households in the district, approximately 66.2% do not have telephones at their homes although many of them have expressed need for the service. The existing situation results in many households still depending on public phones and other means of telecommunication. The public telephones according to Telkom authorities are vandalised frequently. The situation calls for a need to protect these facilities as they will be of help to the residents who depend on them.

It is perhaps interesting to note, as the table indicates, that only in Emthanjeni Municipal Area that a substantial number of the households have telephones at their homes and Cell phones.

Table 14: Household access to Telephone

CELL PHONE ACCESS								
	Ubuntu	Umsobomvu	Emthanjeni	Kareeberg	Renosterberg	Thembelihle	Siyathemba	Siyancuma
Yes	3651	5775	8103	2211	2169	2991	4239	7296
No	1479	2064	2352	1011	825	1152	1593	2280
TELEPHONE ACCES								
Yes	708	849	1434	504	453	585	708	1026
No	4422	6993	9024	2718	2541	3555	5124	8550

Source: Statistics South Africa 2011 Census

1.6.10 EDUCATION

Obtaining some form of income generating employment has become increasingly difficult in recent years. This is accentuated by the lack of education with the poorly educated being the ones that experience the highest incidence of poverty.

There has been an 8,3% increase in the number of learners that have accessed education between 1996 and 2001. There has been a 27,1% increase in the number of learners that have matriculated.

Approximately 3% of persons in the Pixley ka Seme district have an educational qualification higher than a matriculation certificate. Of these, approximately one third have a tertiary qualification. The percentage of the population in the formal education system is 66,5% whilst 19,7% of the population received no formal schooling. Table 14 below is a comparison between Census 2001 and 2011 regarding the number of persons between the ages of 5-24 that attend school:

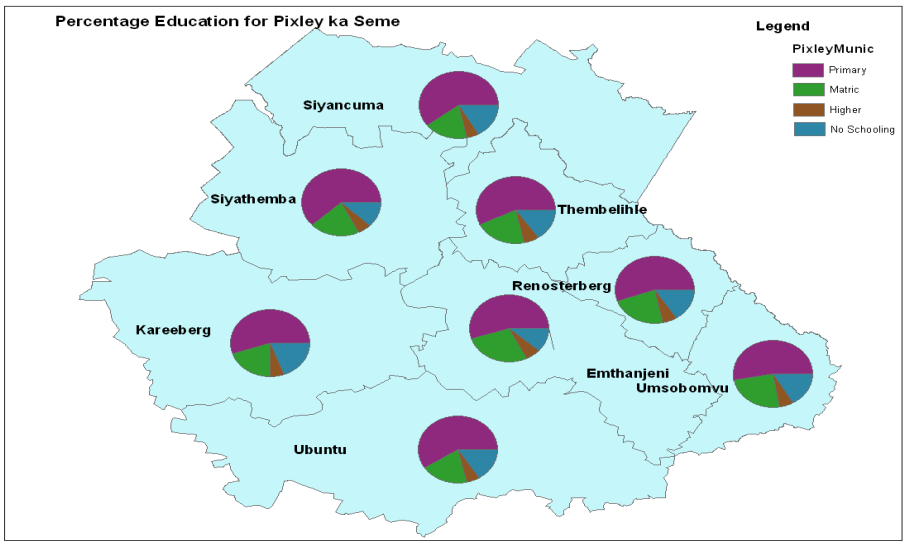
Table 15: Level of Education per Local Municipality

	NC071: Ubuntu	NC072: Umsobomvu	NC073: Emthanjeni	NC074: Kareeberg	NC075: Renosterberg	NC076: Thembelihle	NC077: Siyathemba	NC078: Siyancuma	Grand Total
Grade 12 / Std 10 / Form 5	2100	4050	6396	1314	1506	1926	2433	3861	23586
NTC I / N1/ NIC/ V Level 2	6	18	42	3	6	3	9	18	105
NTC II / N2/ NIC/ V Level 3	6	15	33	6	15	9	12	12	108
NTC III /N3/ NIC/ V Level 4	9	15	54	9	12	9	9	30	147
N4 / NTC 4	6	15	39	9	12	27	18	21	147
N5 /NTC 5	12	12	36	6	6	6	9	36	123
N6 / NTC 6	12	9	51	12	9	21	18	30	162
Certificate with less than Grade 12 / Std 10	3	24	30	6	9	12	6	21	111
Diploma with less than Grade 12 / Std 10	15	24	51	18	15	15	12	24	174
Certificate with Grade 12 / Std 10	66	87	141	36	69	54	84	138	675
Diploma with Grade 12 / Std 10	138	243	381	114	102	90	135	195	1398
Higher Diploma	210	297	363	93	78	153	195	315	1704
Post Higher Diploma Masters; Doctoral Diploma	18	36	30	15	12	27	24	30	192
Bachelors Degree	75	177	261	51	63	114	90	165	996
Bachelors Degree and Post graduate Diploma	42	66	84	18	27	45	27	60	369
Honours degree	30	48	99	15	30	42	48	99	411
Higher Degree Masters / PhD	24	27	69	18	6	18	27	33	222
Grand Total	2772	5163	8160	1743	1977	2571	3156	5088	30630

Source: Stats SA Census 2011

Persons having no schooling did never enjoy formal education, not even some primary education. Implying illiteracy in most cases, these persons are limited to perform manual labour and cannot adequately participate in society.

FIGURE 13



Source: Stats SA 2001 and 2011

Over the last 15 years the rates of no-schooling have been halved across the country. The percentage of persons 20 years and older who have no schooling decreased from 19,1% in 1996 to 8,7% in 2011. This almost halved since 2001 when 19% aged 20+ had no schooling Northern Cape, went from around 22% to around 11%. Whereas in PKS Education (aged 20 +) No Schooling is 14.60%,Higher Education is 6.10% and Matric 20.50% The literacy efforts for adults and the increasing influx of 20 years olds with proper levels of education are expected to drive these proportions further down in the years to come.

FIGURE 14

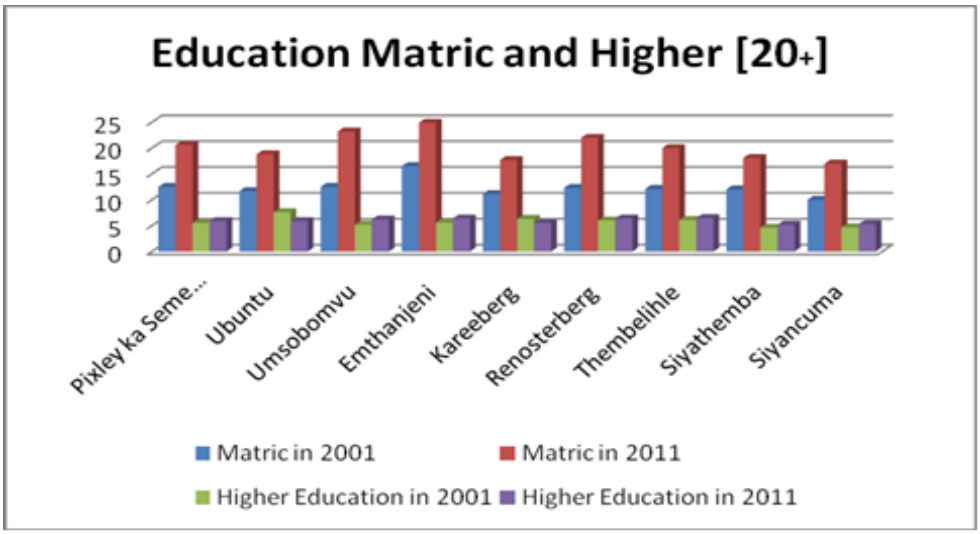
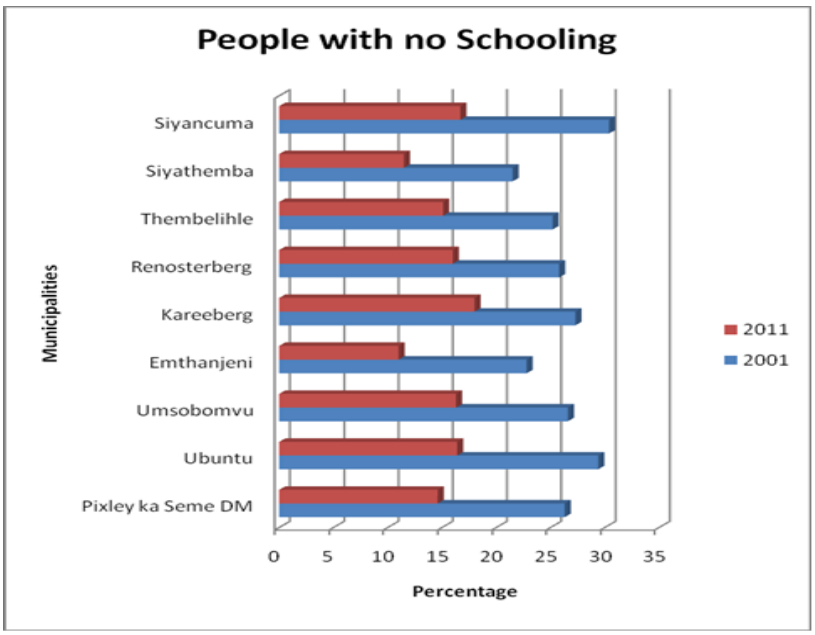


FIGURE 15



Source: Stats SA 2001 and 2011

Table 16: Schooling per Local Municipality

	% NO SCHOOLING	% HIGHER EDUCATION
Ubuntu	10.68	3.72
Umsobomvu	10.68	3.95
Emthanjeni	7.24	3.87
Kareeberg	12.49	3.57
Renosterberg	10.53	3.96
Thembelihle	10.05	3.93
Siyathemba	7.74	3.32
Siyancuma	11.00	3.21

Source: Stats SA Census 2011

The above table presents the level of education of PKS Municipality's labour force; the statistics for the Northern Cape Province and South Africa are included for comparison. The level of primary schooling is overall higher than the primary level of schooling for South Africa. Secondary education completed is overall lower than both the province and national level of education. The tertiary levels of education are the lowest, with just above 3%.

1.6.11 UNEMPLOYMENT AND LABOUR

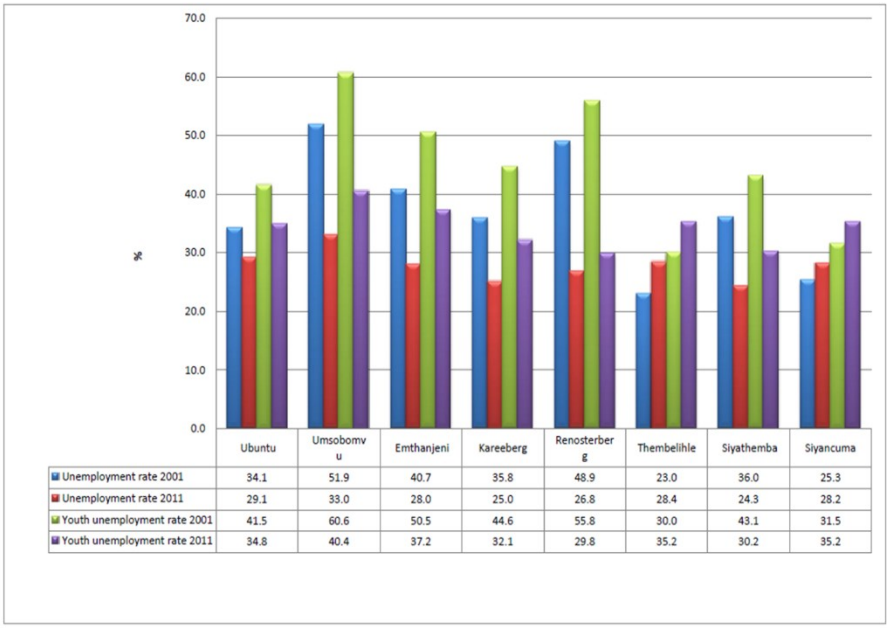
1.6.11.1 UNEMPLOYMENT

There has been a decrease in the number of people employed and a concomitant increase in the number of unemployed in the district between these the 2001 and 2011 censuses. This is directly related to the number of businesses that has closed in the region during the period reflected and indicates the need for a retention or wholesale and retail strategy regarding these businesses. Unemployment reaching approximately 28.3% 2011 and Youth unemployment reaching 35.4% in 2011 as per Stats SA 2011 Census.

Table 17: Employment Status per Local Municipality

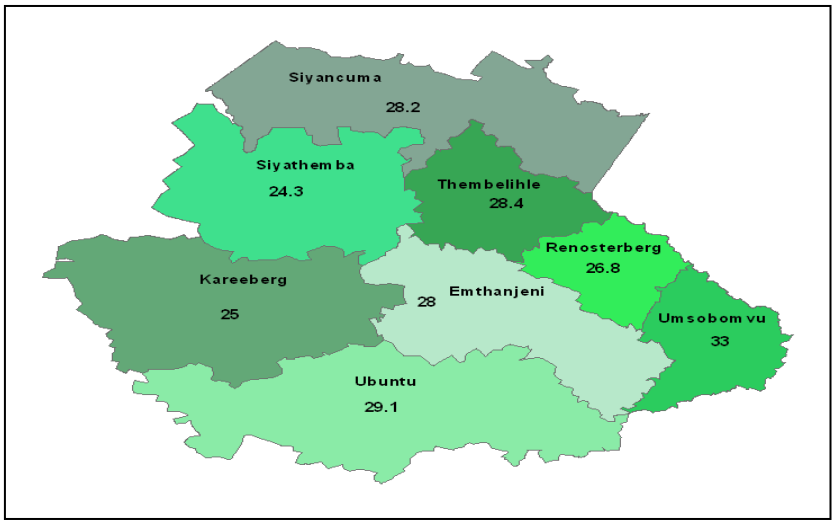
	Employed	Total%	Unemployed	Total%	Discouraged work-seeker	Total%	Other not economically active
Ubuntu	5028	27	2064	11	507	3	3774
Umsobomvu	6117	22	3018	11	1188	4	7491
Emthanjeni	9864	23	3831	9	1203	3	11559
Kareeberg	2856	24	951	8	456	4	3030
Renosterberg	2616	24	957	9	324	3	2796
Thembelihle	3861	25	1533	10	687	4	3777
Siyathemba	5370	25	1728	8	765	4	5787
Siyancuma	7947	21	3120	8	1422	4	10575
Total	43659	192	17202	75	6552	30	48789

FIGURE 16



Source: Statistics South Africa 2011 Census

FIGURE 17



Source: Statistics South Africa 2011 Census

The municipalities that have the largest percentage of unemployed are Umsobomvu and Renosterberg with unemployment rates of 30, 2% and 31, 5% respectively. When the actual numbers of unemployed in the districts are considered, the municipalities that have the most people in the unemployed trap are Emthanjeni, Siyancuma, Umsobomvu and Siyathemba. These account for 20 153 (70, 8%) of the unemployed in the district. Interventions in these municipalities would render the unemployment rate in the district to 7, 2% provided the unemployed 20 153 are employed in these areas.

1.6.11.2 LABOUR

- **LABOUR PARTICIPATION RATE**

The labour participation rate in the district is 50, 43%. This indicates the labour force as a percentage of the population in the age group 15-64 years of age.

- **LABOUR DEPENDENCY RATIO**

The total number of persons supported by every person in the labour force, excluding him or herself is indicated by the labour dependency ratio. In the case of the Pixley ka Seme district this ratio is 1, 81 with working individuals in the Siyathemba, Siyancuma and Thembelihle municipalities having to support approximately 2 persons. The lowest ratio in the district is to be found in the DMA area, at 0, 81.

- **LABOUR YOUTH DEPENDENCY RATIO**

Indicates the total number of youths, aged 0-14, supported by every person in the labour force, excluding him or her. The ratio in the Pixley Ka Seme district is 0, 09. This indicates that working individuals support approximately one youth in the age group 0-14.

- **LABOUR AGED DEPENDENCY RATIO**

The labour aged dependency ratio indicates the total number of aged persons, older than 65, supported by every person in the labour force, excluding him or herself. The ratio for the district is 0, 85.

- **LABOUR ABSORPTION CAPACITY**

The labour absorption capacity is the ability of the formal sector of the economy to absorb the supply of labour in the region. Approximately 25% of the economically active population of the district is unemployed. The municipalities that have the largest percentage of unemployed in the district is Umsobomvu and Renosterberg with unemployment rates of 30% and 31% respectively. The table 18 below indicates the above ratios in each municipality in the district:

Table 18: Labour Ratio

Local Municipality	Labour Participation Rate	Labour dependency ratio	Labour youth dependency ratio	Labour aged dependency ratio
Emthanjeni	49,70	1,81	12,05	84,53
Kareeberg	54,80	1,65	13,91	79,13
Renosterberg	56,94	1,52	18.66	84,97
Siyancuma	45,81	2,09	-1,83	83,53
Siyathemba	48,19	1,99	0,36	83,92
Thembelihle	46,93	1,95	3,10	83,68
Ubuntu	54,39	1,64	13,09	86,03
Umsobomvu	51,94	1,73	8,19	86,81
	5043	**1,81**	**8,80**	**84,65**

Table 19: below indicates the population by municipality living below the minimum living levels in the district.

Local Municipality	Population	Population below MLL	% below MLL
Emthanjeni	35 438	18,418	51.97
Kareeberg	9 356	5,433	58.07
Renosterberg	9 091	5,616	61.77
Siyancuma	35 894	22,559	62.85
Siyathemba	17 497	9,374	53.58
Thembelihle	13,716	3,843	28.02
Ubuntu	16,480	10,787	65.46
Umsobomvu	23,747	20,400	85.91
Total	**164,412**	**98,064**	**59.65**

An average of 60% of the population in the district lives below the minimum living level (MLL). The highest percentage is found in the Umsobomvu municipal area, at 85 %, and the

lowest at 28% in the Thembelihle municipal area. This represents 17,3% of the provincial population living below the MLL. The average monthly (individual) income for the district is approximately R740 which is less than the stipend received as a grant from social services departments.

1.6.12 ECONOMIC CHARACTERISTICS OF DISTRICT

1.6.12.1 REGIONAL GROSS DOMESTIC PRODUCT

The district contribution to the provincial GDPR has consistently been the lowest over recent years with its contribution declining from 10,6% to 9,6% between 2003 and 2004. The economy is predominantly primary sector focused with manufacturing and tourism also contributing to the district economy.

The economic sectors that contribute the most to the GDPR of Pixley Ka Seme are Agriculture, Mining, Tourism and Manufacturing.

Table 20 below represents the percentage contribution per economic sector by the district to the gross domestic product of the province for 2003 and 2004.

Table 20: % GDPR of district municipalities per economic sector for 2003 and 2004

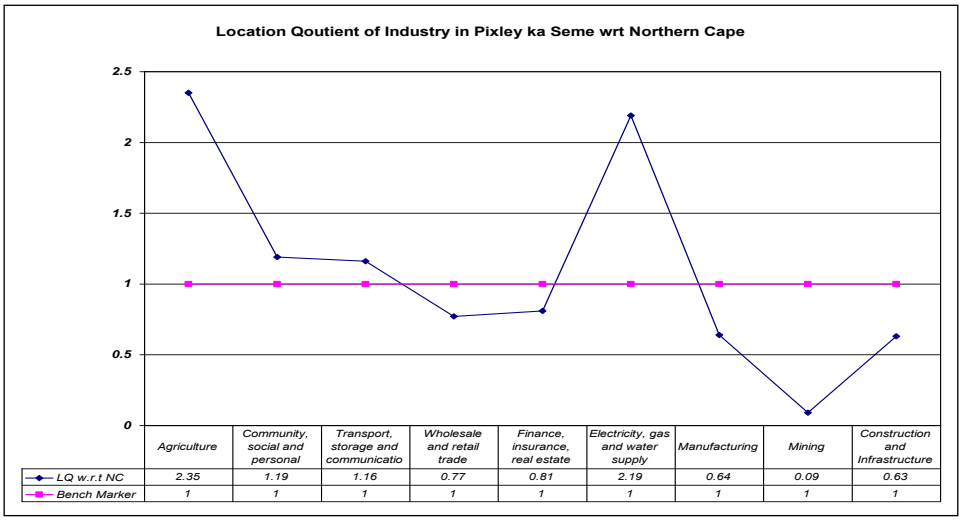
% OF GDPR										
	Primary		Secondary		Tertiary		Taxes - Subsidies		Total GDPR	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Namakwa	4,3	3,8	0,5	0,4	7,3	7,0	0,7	0,8	12,8	**12,1**
PKSDM	3,1	2,7	1,0	0,9	5,8	5,2	0,8	0,8	10,6	**9,6**
Siyanda	3,8	3,3	1,3	1,3	8.0	7,7	1,1	1,2	14,2	**13,5**
Frances Baard	6,8	6,2	3,2	3,1	26,1	28,6	2,5	2,0	38,6	**40,7**
Kgalagadi	16,7	16,5	1,4	1,3	4,9	5,5	0,7	0,8	23,8	**24,1**
NC GDPR	**34,7**	**32,6**	**7,3**	**7,1**	**52,1**	**54,0**	**5,8**	**5,6**	**100,0**	**100,0**

Pixley Ka Seme's total percentage contribution in 2003 was 10,6% and declined to 9,64% in 2004. The district contribution to the GDP has consistently been the lowest over recent years with its contribution declining. It is evident that the tertiary sector contributes the greatest percentage to the GDP of the Northern Cape, followed by the primary sector and then the secondary sector.

The Pixley Ka Seme district displays a similar characteristic as the province with respect to its sectoral contributions to GDPR; the economic sectors that contribute the most to the GDPR of Pixley Ka Seme are Agriculture, Mining, Tourism and Manufacturing, with its secondary sector contribution being the least. The manufacturing sector is part of the secondary sector which indicates that it has declined over the period of 2003 (0, 97%) and in 2004 (0, 92%). To

transform and diversify the status of the districts economy will require a concerted effort to improve and create development opportunities within this sector.

FIGURE 18



	Agriculture	Community, social and personal	Transport, storage and communicatio	Wholesale and retail trade	Finance, insurance, real estate	Electricity, gas and water supply	Manufacturing	Mining	Construction and Infrastructure
LQ w.r.t NC	2.35	1.19	1.16	0.77	0.81	2.19	0.64	0.09	0.63
Bench Marker	1	1	1	1	1	1	1	1	1

1.6.12.2 LOCATION QUOTIENT

A comparative advantage indicates a relatively more competitive production function for a product or service in specific economy than the aggregate economy. This economy therefore renders this service more efficiently. The location quotient is an indication of the comparative advantage of an economy in terms of its production and employment. A location quotient greater than 1 indicates a comparative advantage regarding the sector in one location with respect to another.

The analysis below indicates the location quotient of the Pixley ka Seme District with respect to the Northern Cape Province. The table and graph below indicates the location quotients of sectors in the district municipality with respect to the Northern Cape.

Sectors in the economy of Pixley Ka Seme that have a location quotient larger than 1 are agriculture (2, 35); community, social and personal services (1, 19); transport, storage and communication (1, 16); electricity, gas and water supply (2, 19). These indicate sectors that show potential for additional development in this does not imply that sectors, that do not feature here, should not be pursued since there may be latent potential in these sectors that could be exploited.

Table 21 below indicates the location quotients of the economic sectors in the municipalities

Table 21: Location Quotients of Economic Sectors

	Kareeberg	Emthanjeni	DMA	Renosterberg	Siyancuma	Siyathemba	Thembelihle	Ubuntu	Umsobomvu
Agriculture	1,18	0,31	1,62	0,54	1,11	1,46	1,47	1,59	0,82
Mining	0,08	0,05	0,45	0,00	4,28	0,09	0,02	0,21	0,00
Manufacturing	0,41	0,71	1,28	0,13	1,92	0,76	1,99	0,91	0,18
Electricity, gas and water supply	0,17	0,60	0,36	11,42	0,08	1,14	0,23	0,00	0,97
Construction	0,52	1,25	0,85	0,58	0,99	1,69	0,48	0,55	1,00
Wholesale and retail trade	1,12	1,05	1,20	0,56	1,02	0,94	1,17	0,79	1,13
Transport, storage and communication	0,52	1,76	0,53	0,33	0,84	0,83	1,33	0,75	0,51
Finance, insurance, real estate	1,06	1,79	0,94	0,46	0,78	0,71	0,61	0,72	0,67
Community, social and personal services	1,18	1,37	0,58	0,54	0,82	0,72	0,56	0,85	1,55

Other sectors in the district that have a distinct comparative advantage with respect to the Northern Cape and South Africa are:

- Electricity, Gas and Water supply
- Community, social and personal services
- Transport, storage and communication

The municipalities in the district that have comparative advantages with respect to the sector Electricity, Gas and Water supply are Renosterberg and Siyathemba with location quotients of 11,42 and 1,14 respectively. This resounding comparative advantage in the sector for the Renosterberg municipality is due to the presence of the Van Der Kloof Dam in the municipality. It is the only sector in which Renosterberg has a comparative advantage with respect to other municipalities in the district.

Kareeberg, Emthanjeni and Umsobomvu have location quotients, with respect to other municipalities in the district, of 1, 18, 1, 37 and 1, 55 respectively in the Community, social and personal services sector. In the Transport, storage and communication sector, Emthanjeni and Thembelihle have location quotients of 1, 76 and 1, 33 respectively, indicating a comparative advantage in this sector with respect to other municipalities in the district. The sectors that contribute significantly to the Northern Cape GDPR is highlighted in

the table above with agriculture having the highest LQ, Electricity, gas and water supply second highest LQ etc.

The agricultural sector has the potential for growth with a number of comparative and competitive advantages for the Northern Cape and Pixley Ka Seme in particular.

1.6.12.2 TRESS INDICATORS

The level of diversification or concentration of a region's economy is measured by a tress index. A tress index of zero represents a totally diversified economy whilst the higher the index, the more concentrated or vulnerable the region's economy is to exogenous variables e.g. adverse climatic conditions and commodity price fluctuations.

The economy of the Pixley Ka Seme district has a tress index of 56, 18 indicating a reliance of the Pixley Ka Seme economy on the agriculture, transport and services sector. This tress index indicates that the economy is not diversified but is largely dependent on the agriculture and is vulnerable to exogenous variables such as adverse climatic conditions, commodity price fluctuations. We need to look at ways of diversifying the economy

2 POWERS AND FUNCTIONS OF THE MUNICIPALITY

Government has the responsibility to make Policies and Laws about the rights and responsibilities of citizens and the delivery of Government Services. Government collects revenue (income) from taxes and uses this money to provide services and infrastructure that improves the lives of all the people in the Country, particularly the poor.

2.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996

The Constitution of South Africa sets the rules for how Government works. There are three spheres of Government in South Africa namely National Government, Provincial Government and Local Government.

The spheres of Government are autonomous and should not be seen as hierarchical. The Constitution stipulates: "The spheres of government are distinctive, inter-related and inter-dependent." At the same time, they all operate according to the Constitution and Laws and Policies made by National Parliament.

Section 152 of the Constitution of the Republic of South Africa, 1996 sets out the objectives of Local Government as follows:

- to provide democratic and accountable government for Local Committees;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to encourage the involvement of communities and community organizations in the matters of Local Government.

The responsibilities of Local Government are clearly spelled out within Schedules 4 and 5 of the Constitution.

The sphere of Local Government consists of Municipalities. A Municipality has the right to govern, on its own initiative, the Local Government Affairs of its community, subject to National and Provincial Legislation, as provided for in the Constitution.

The whole of South Africa is divided into Local Municipalities. Each Municipality has a Council where decisions are made and municipal officials and staff who implement the work of the Municipality.

The Council is made up of elected members who approve Policies and By-laws for their area. The Council must pass a budget for its Municipality each year. They must also decide on Development Plans and service delivery for their Municipal Area.

There are three various kinds of Municipalities in South Africa:

- *Metropolitan Municipalities (Category A):* A Municipality that has exclusive Municipal Executive and Legislative Authority in its area. Metropolitan Municipalities exist in the six biggest cities in South Africa. They have more than 500 000 voters and the Metropolitan Municipality co-ordinates the delivery of services to the whole area.
- *Local Municipalities (Category B):* A Municipality that shares Municipal Executive and Legislative Authority in its area with a Category C Municipality within whose area it falls. Areas that fall outside of the six Metropolitan Municipal Areas are divided into Local Municipalities. There is a total of 231 of these Local Municipalities and each Municipality is broken up into Wards. The residents in each Ward are represented by a Ward Councillor.
- *District Municipalities (Category C):* A Municipality that has Municipal Executive and Legislative Authority in an area that includes more than one Municipality. District Municipalities are made up of several Local Municipalities that fall in one district. There are usually between 3 - 6 Local Municipalities that come together in a District Council and there are 47 District Municipalities within South Africa.

A System of further categorisation of Municipalities was introduced by the Municipality Infrastructure Investment Framework (MIIF) to more accurately understand the differentiated challenges facing the Municipalities. This categorisation focused on the size of Municipalities in terms of population, percentage of urban population, service backlogs, future demands and size of municipal budgets. This categorisation is as follows:

A: Metros: Large urban complexes with populations over 1 million and accounting for more than 50% of all municipal expenditure in the Country
B1: Local Municipalities with large budgets and containing secondary cities
B2: Local Municipalities with large town as a core
B3: Local Municipalities with small town, with relatively small population and sizable proportion of urban population but with no large town as a core
B4: Local municipalities which are mainly rural with communal tenure and with, at most, or of two small towns in their area
C1: District Municipalities which are not Water Service Authorities
C2: District Municipalities which are Water Service Authorities

Siyathemba Municipality is a Category B Municipality and according to the further categorisation in the MIIF, we are a Category B4 Municipality.

The Constitution stipulates a Municipality has Executive Authority in respect of, and has the right to administer the following activities:

Schedule 4	Schedule 5
▪ Air pollution ▪ Building Regulations ▪ Child care facilities ▪ Electricity and gas reticulation ▪ Firefighting services ▪ Local tourism ▪ Municipal Airports ▪ Municipal planning ▪ Municipal health services ▪ Municipal public transport ▪ Municipal public works only in respect of the needs of Municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other Law ▪ Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto ▪ Storm water management systems in built-up areas ▪ Trading Regulations ▪ Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	▪ Beaches and amusement facilities ▪ Billboards and the display of advertisements in public places ▪ Cemeteries, funeral parlours and crematoria ▪ Cleansing ▪ Control of public nuisances ▪ Control of undertakings that sell liquor to the public ▪ Facilities for the accommodation, care and burial of animals ▪ Fencing and fences ▪ Licensing of dogs ▪ Licensing and control of undertakings that sell food to the public ▪ Local amenities ▪ Local sport facilities ▪ Markets ▪ Municipal abattoirs ▪ Municipal parks and recreation ▪ Municipal roads ▪ Noise pollution ▪ Pounds ▪ Public places ▪ Refuse removal, refuse dumps and solid waste disposal ▪ Street trading ▪ Street lighting ▪ Traffic and parking

2.2 WHITE PAPER ON LOCAL GOVERNMENT, MARCH 1998

The fact that Municipalities have the Constitutional duty to provide services does not mean that the delivery of services is easy and without problems. To facilitate the task of Municipalities, certain "Principles for Service Delivery" are contained in the White Paper on Local Government, 1998. These Principles that have been set to facilitate the delivery options of Municipalities can be summarized as follows:

- Accessibility of services
  At least a minimum level of services must be made available to all persons residing within the municipal area and imbalances in access to services must be addressed through Development Programmes.

- Affordability of services
  Municipalities should ensure affordability of services through:
  - setting tariffs, which balance the economic viability of service provision with the ability of the poor to access services;
  - determining the appropriate service levels - neither too high nor too low;
  - cross subsidization within and between services.
- Quality of products and services
  Quality of services relates to matters such as sustainability for purpose, timeliness, convenience, safety, continuity and responsiveness to service-users.
- Accountability for services
  The Municipality remains accountable for ensuring the provision of quality services, notwithstanding the service delivery mechanism chosen.
- Integrated development and services
  The planning and provision of service delivery should be integrated with Municipal Policy Objectives, such as poverty eradication, special integration and job creation through public works.
- Sustainability of services
  The sustainability of services depends on financial and organizational systems, which support financial viability, as well as environmentally sound and social just use of resources.
- Value for money
  The best possible use of public resources must be made to ensure access to affordable and sustainable services.
- Ensuring and promoting competitiveness of local commerce and industry
  The subsidization of domestic users by levying higher rates and service charges on business, industry and commerce must not lead to adversely affecting industry and commerce as this may cause these businesses to move elsewhere.
- Promoting democracy
  Municipalities must promote the democratic values and principles enshrined in the Constitution.

This Act further introduced the notion of developmental Local Government. Developmental Local Government is defined as Local Government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives

Considering the Constitutional mandate, as well as the provisions of the White Paper, it can be summarised that the main function of Local Government is to provide foods and services that meets

the social, economic and material needs of the people. Principles that underpin the manner, in which these goods and services are provided, should be democracy, accountability, sustainability and public participation.

2.3 LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT (ACT NO. 32 OF 2000)

To play the critical role, Municipalities are mandated to undertake a process of Integrated Development Planning. The main objective of Integrated Development Planning is to forge greater and better coordination and integration of development initiatives by the various Development Agencies with each local space.

The principle Legislation which relates to the development of IDPs, is the Municipal Systems Act. Section 25 of the Act Supra mandates each Municipal Council to adopt a single, inclusive and Strategic Plan for the development of the Municipality. As a Strategic Plan of the Municipality, the IDP should therefore provide a clear road map for the Municipality that would take it from current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate Plans and consider, proposals for the development of the Municipality
- Align the resources and capacity of the Municipality with the implementation of the Plan
- Form the Policy Framework and general basis on which Annual Budgets must be based
- Be compatible with National and Provincial Development Plans and planning requirements that are binding on the Municipality in terms of Legislation.

The Act further focuses on the internal systems and administration of a Municipality including:

- Public accountability and involvement
- Guidelines for making Bylaws
- Preparation of Integrated Development Plans (IDPs)
- Establishing of Performance Management Systems
- Introducing the differentiation between the Authority (WSA) and Provider (WSP) functions of a Municipality and ensuring its consistency with the Water Services Act
- Identifying the importance of alternative mechanisms for providing municipal services, and prescribing the requirements for entering into partnerships with others. In this instance, this would apply to a WSA contracting a WSP to fulfil the provider function.

2.4 MUNICIPAL STRUCTURES ACT (ACT NO. 117 OF 1998)

The Municipal Structures Act provides for the establishment of Municipalities in accordance with the requirements relating to Categories and Types of Municipalities. It sets out the criteria for determining the category of each Municipality Type, as well as defining the type of Municipality that may be established within each category, and the manner in which each of the municipal structures is to function and conduct itself. The Municipal Structures Act was amended by the Municipal Structures Amendment Act, 2000 (Act No. 33 of 2000). The primary purpose of the Municipal Structures Act, and the Structures Amendment Act, is:

- To provide for the establishment of Municipalities in accordance with the requirements relating to categories and types of Municipalities;
- To establish criteria for determining the category of Municipality to be established in an area;
- To define the types of Municipalities that may be established within each category;
- To provide for an appropriate division of functions and powers between categories of Municipalities;
- To regulate the internal systems, structures and office-bearers of Municipalities; and
- To provide for appropriate electoral systems.

2.5 MUNICIPAL FINANCE MANAGEMENT ACT (ACT NO. 56 OF 2003)

This Act applies to all Municipalities and Municipal Entities. The object of the Act is to secure sound and sustainable management of the fiscal and financial affairs of Municipalities by establishing norms and standards for:

- Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of Municipalities and Municipal Entities;
- The management of their revenues, expenditures, assets and liabilities and the handling of their financial resources;
- Budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of Government;
- Borrowing;
- The handling of financial problems in Municipalities;
- Supply chain management; and
- Other financial matters

A large part of the Municipal Finance Management Act deals with the requirements for a consistent and transparent Supply Chain Policy by Municipalities.

3 PROCESS FOLLOWED TO DEVELOP THE IDP

Integrated development planning is a process through which Municipalities prepare a Strategic Development Plan for a period of five years. The IDP is a product of the integrated development process. It is the principal strategic planning instrument, which guides and informs all planning, budgeting, management and decision-making in a Municipality. All Municipalities must, in terms of the Municipal Systems Act of 2000, undertake an integrated development planning process, thus the IDP is a legislative requirement and has a legal status and it supersedes all other Plans that guide development at Local Government level.

In the past, Municipalities followed a specific methodology to develop/compile the IDP. The phases in this process were:

1. Pre-planning Phase
2. Establishment of Structures
3. Compilation Phase
    a. Analysis Phase
    b. Strategies
    c. Projects
    d. Integration
4. Approval

The 2009 State of the Local Government Report noted that a number of Municipalities were under distress. These Municipalities primarily had difficulties delivering expected services to communities. The Report recommended that urgent and focused interventions had to be provided to enable Municipalities to deliver services effectively and efficiently. One of the critical processes which will assist Municipalities in service delivery is the development of credible IDPs.

The Department of Co-operative Governance, Human Settlements and Traditional Affairs therefore embarked on a process to simplify the current IDP process. The development and implementation of this simplified Framework does not mean a compromise on the quality of the Plan or the provision of inferior series. Instead, it refers to the development of a Planning Framework that is simplified in a way that makes it easy for smaller Municipalities to develop implementable, demand responsive plans that address sustainable development.

Siyathemba Municipality was therefore invited by the Department of Co-operative Governance, Human Settlements and Traditional Affairs to form part of the “Simplified IDP Framework” – Process. The Municipality attended the work session on the 19th of March 2012 during which the process was explained.

Siyathemba Municipality complied with this Process during 2012 and therefore we are having an IDP since 2012 on the new format. The methodology we followed is indicated in the figure below.

Table 3: Process

	Activity	Sub Activity	Target Dates
1	IDP 2017/18	IDP 2016/17is used as the basis document for the 2017/18 IDP.	May 2017
2	Community inputs	The Municipality embarked on an extensive community participation programme and held community IDP meetings in each of the wards in March/April 2017	April 2017
3	Compilation of Draft Document and Public Participation Programme	The information available in the 2016/17 IDP Document was used to populate the new 'Simplified Format". A Representative Forum meeting was held to sensitise the Forum and representatives from the community on the input from council which raised from a Strategic Planning Session in January 2017. A first draft of the IDP was than related into an input list which was discussed extensively in each ward and the community were given an opportunity to discuss and contribute via their inputs	1st Draft submitted to Council on 31 March 2017. Community participation programme in each ward as well as two meetings with council to finalise the prioritising of the community input
4	Finalisation of Document	All the comments received from the public participation process were worked into the document.	IDP submitted to Council for approval 30 May 2017.

4 STATUS QUO ASSESSMENT

In the paragraphs below, the current state of affairs within the Municipality with relation to the key performance indicators, are discussed. In each of the sections, status quo information is provided.

The following aspects should be taken note of:

- Information used in the IDP is sourced from various other Plans and Strategies previously developed by the Municipality. Reference will be made to the source used and will be indicated as a footnote for that specific section. For example, statistics with regards to water and sanitation delivery is based on the Geo-Database information from the Department of Water Affairs, Local Economic Development information is sourced from the Draft LED Strategy for the Municipality.
- The Municipality does have a generic Spatial Development Framework (SDF) developed by the District Municipality during 2006. The SDF for Siyathemba indicated potential areas where development is most likely to occur. It did however not stipulate the level of services. In all the sub categories of Point 6.1 Service Delivery and Infrastructure Development, the Municipality will state their vision with regards to the level of service. The generic SDF is attached.
- The Municipality does not have a Migration Plan in place. The population figures in Siyathemba Municipality is however relatively consistent over the past years.

4.1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective	• **To ensure service delivery planning within the municipality by developing all sector plans and thereby ensuring that the residents of the municipality are happy.** • **To improve the Operations and Maintenance planning and implementation by aligning O & M Budgeting and implementation**
Intended Outcome	

4.1.1 WATER

All households to have access to at least clean piped water 200 from household.

Siyathemba Municipality is the Water Services Authority (WSA) and Water Services Provider (WSP) for the 3 towns within their area of jurisdiction. The Municipality strives to fulfil all the WSA and WSP functions, as stipulated in National Legislation.

As WSA, the Municipality needs to ensure access to services, develop a WSDP, compile Policies and Bylaws and put in place institutional arrangements for the delivery of services. As WSP, the

Municipality needs to ensure that services are rendered in an effective, efficient and sustainable manner according to the Legislative and Planning Documents developed by the WSA. Operation and maintenance, asset management and customer care are therefore important.

In the paragraphs below, the most critical aspects with regards to water service delivery will be discussed.
Water services are rendered in Prieska, Niekerkshoop and Marydale. The Municipality is also supplying bulk water to Copperton, but Alkantpan (Armscore) is responsible for the delivery of water, sanitation, and electricity services. No services are currently being rendered on farms.

The Spatial Development Framework of the Municipality does not indicate an approved level of water services. The Municipality however strives to have a basic level of service on erven, before people move into that specific area. House connections are therefore the level of service the Municipality strives to provide. In informal areas, standpipes are provided as an interim level of service.

The Municipality understands, as Water Service Authority, that a proper planning document should be in place to coordinate all water services initiatives. Siyathemba Municipality therefore supports the initiative from the Department of Water Affairs to compile Water Services Development Plans (WSDP). DWA National made a new WSDP Guideline available in January 2010. Since then, the new WSDP Guideline has been revised several times to improve the content of the WSDP. Currently, the new WSDP Guideline consists of the following WSDP documentation:

Table 4: WSDP Status

WSDP components	Outcome
WSDP Module 1 (Knowledge)	Module 1 indicates all related enabling factors per water services topic listed in a tabular format to present an overall status quo of information on a WSA level. The objective of Module 1 is to identify gaps and shortcomings
WSDP Module 2 (Information)	This module will provide detail information regarding the different topics, as well as house all information regarding certain aspects with a topic. The objective of Module 2 is to obtain detail information to address gaps identified in Module 1 and to incorporate them into Module 2.
WSDP Module 3 (Strategies)	Module 3 relates to Strategic Plans. The objective of Module 3 is to develop Strategies identified as gaps in Module 1 and incorporate them into Module 3.
IDP Input Report	This Report will be an outflow from the existing WSDP Module 1 disseminating the required information in a standardized report to the IDP process for incorporation during development stages. The objective of this Report is to assist Local Government and WSAs with inputs regarding the IDP Development and IDP Evaluation Process.
Annual Business Plan	This report will be an outflow from the existing WSDP Module 1. According to the Act of 1997, Section 12, each WSA should annually compile

	a Business Plan which describes actions dealt with in terms of water and sanitation services. The objective of the task is to assist Local Government and WSAs with inputs regarding the compilation of a WS Business Plan.

Siyathemba Municipality completed WSDP Module 1, 2, 3, the IDP Input Report and Annual Business Plan.

4.1.1.1 Water Provision: Catchment to Consumer

Prieska is abstracting water from the Orange River whilst Marydale and Niekerkshoop are dependent on groundwater. Copperton receives its water from the Orange River via Prieska.

In the paragraphs below, a short description of the current water infrastructure is provided.

a. Prieska

The total volume of potable water for Prieska is supplied from the Flippie Holtzhauzen Water Treatment Plant that extracts all its raw water from the Orange River. Electrically driven pumps (4) which can deliver up to 200ℓ/s to a purification plant, are used. The purification plant has a capacity of 6 Mℓ/day and potable water is stored in two potable water reservoirs. Water is pumped by two pumps (that operate alternately) from the water treatment plant via a 150mm, a 200mm and a 300mm pipeline to three nearby distribution reservoirs, as can be seen on Figure 19. Two of the reservoirs have a volume of 2.27 Mℓ and the third, 0.34 Mℓ. These reservoirs are hereafter referred to as the Koppie Reservoirs. The 300mm pipeline is a dedicated line from the pumps at the water treatment plant to the reservoirs. The 200mm pipeline has a connection to a 300mm line that supplies the other reservoirs in the system from the Koppie Reservoirs. The 150mm pipeline connects the water treatment plant to the smaller 0.34 Mℓ capacity reservoir. This reservoir is located next to, but slightly lower than the two larger reservoirs. The 150mm pipeline has many direct connections with the distribution system and is not a dedicated supply to the reservoir. There is a bulk water meter at the water treatment plant that measures all the fresh water pumped from the water treatment plant. The water treatment works is in a good condition and not used at its full capacity.

b. Marydale

In Marydale, water supply is obtained from 6 production boreholes. The rated capacity of the boreholes is 8.9 ℓ/s. The safe yield of the 6 boreholes per year is 276,820.80m^3 Submersible pumps withdraw the water from 6 production boreholes and pump the water to two high lying water distribution reservoirs. The reservoirs store water for use during periods of peak demand and provide the pressure needed to reticulate water to the town.

There is no water treatment works facility in Marydale. Water is disinfected in the two reservoirs by adding floating chlorinators.

c. Niekerkshoop

Water delivery to the community for human consumption at Niekerkshoop consists of ground water from five boreholes namely GWK1, GWK2, Municipal Offices, G42098 and GWK 3. The water is abstracted with supply lines to the existing two reservoirs with a combined capacity of 0.4 Mℓ. From these reservoirs water is distributed to the water reticulation system to the consumers of Niekerkshoop. There is no water treatment works facility in Niekerkshoop. Water is disinfected in the two reservoirs by adding floating chlorinators.

d. Copperton

A 450-mm diameter concrete lined steel pipeline, together with a dedicated water treatment works, was constructed by the Copperton Mine in 1970's for supplying water from Prieska to the Mine. The total pipeline length from the water treatment works at Prieska to Copperton is approximately 52 km. After the Mine was closed down in about 1988, the ownership of the pipeline was transferred to Alkantpan, who is using the pipeline to supply water to their testing facilities close to Copperton. Alkantpan is the Owner of the pipeline and also operates and maintains the pipeline.

The water demand on the pipeline in 2008 was estimated at 0.45Ml/day, and includes the provision to Alkantpan, Copperton and some of the farms on the pipeline route. Water meters are connected at each demand point and the water is measured on a monthly basis.

The total length of the pipeline is approximately 52 km and the first approximately 40 km of the pipeline is a pumping main, from Prieska Water Treatment Works to a set of reservoirs from where it gravitates for approximately 12 km to the Mine in Copperton.

Since the transfer of the pipeline in 1990, there were no pipe bursts or leaks detected on the pipeline. Alkantpan has two staff members responsible for the operations and maintenance of the pipeline.

According to the Kareeberg Bulk Water Supply Implementation Readiness Report, no evidence was found that could indicate that the pipeline is in a poor condition. However, limited maintenance has been done on the pipeline since it was transferred to Alkantpan. The lack of maintenance on air valves, especially a pumping main where pumps are switched on and off regularly, could increase the possibility of cavitation due to insufficient air release points, which may result in damage to the internal lining.

There is a group of steel reservoirs at the end of the pumping main, approximately 40 km from the Prieska WTW. The total capacity is 10,9ML. The reservoir near Copperton has a capacity of 2 Ml. The set of reservoirs at the end of the pumping main consist of five reservoirs, two of which are 4 ML each and three of which are 0.5 ML each. According to the Kareeberg Bulk Water Supply Report, little maintenance was done on

all the reservoirs and the operational valves. No leaks were detected on the group of five reservoirs that are situated at the end of the pumping main, which are currently in use. No corrosion was spotted.

A recommendation was made in the above-mentioned Report that a CCTV camera investigation should be conducted to determine the condition of the pipeline.

4.1.1.2 Level of Service

The Municipality progressed very well in reaching the National Target to eradicate water needs in their area of jurisdiction. The DWA Geo-database reflects that most of the backlogs have been addressed.

Table 5: Water Level of Services: Formal

Settlement	Households 2011	House connection	Erf Connection	Communal Standpipe	Communal Standpipe>200m	None	TOTAL WATER FORMAL STANDS
Marydale	785	202	449	0	0	0	651
Niekerkshoop	493	156	294	0	0	40	450
Prieska	3,089	2,650	10	365	0	0	3,025
TOTAL	4,367	3,008	753	365	0	40	4,126

Table 6: Water Level of Services: Informal

Settlement	Households 2011	House connection	Erf Connection	Communal Standpipe	Communal Standpipe>200m	None	TOTAL WATER INFORMAL HH
Marydale	785	0	0	129	0	0	129
Niekerkshoop	493	0	0	0	0	0	0
Prieska	3,089	0	0	0	0	0	0
TOTAL	4,367	0	0	129	0	0	129

The Municipality confirmed that bulk water infrastructure is already available for the 40 households in Niekerkshoop. House connections will be made by technical staff of the Municipality.

4.1.1.3 Water quality

The Municipality participated in the Blue Drop Certification Programme from the Department of Water Affairs.

The Municipalities scored an overall average of 40.95% during the 2011 Assessment. The following scores were obtained in each of the water supply systems:

- Prieska: 37.52%

- Marydale: 50.85%
- Niekerkshoop: 56.56%

The Blue Drop Certification Programme is measuring the entire Water Quality Management of a Municipality. The Municipality still needs to improve on specific criteria such as Criteria 1 (Water Safety Planning), Criteria 2 (Process Control and O&M) and Criteria 8 (Asset Management).

The water quality provided to the people of Siyathemba; for an example over February 2011-February 2012 can be summarised as follows:

Table 7: Compliance Summaries

Supply System	Microbiological	Chemical	Physical	Operational
Marydale Borehole system	83.80%	86.50%	>99.9%	67.60%
Niekerkshoop Borehole System	88.50%	>99.9%	99.60%	77.60%
Prieska Orange River	98.50%	>99.9%	>99.9%	94.30%
TOTAL	91.60%	97.30%	99.90%	82.20%

The SANS241 requires 97% and 85% compliance for respectively Micro and Chemical. The Municipality must therefore improve on the microbiological compliance. These problems are mainly experienced in the borehole systems of Marydale and Niekerkshoop.

The Municipality has requested funds from DWA to assist in closing the gaps in drinking water quality management. An allocation was made to the Municipality and the Municipality started to develop the Water Safety Plan for the 3 Water Supply Systems. As part of the Water Safety Plan a management approved implementation plan is developed. The Municipality identified the execution of this plan as a priority.

4.1.1.4 Operation and Maintenance

The Municipality does not have an Operation and Maintenance Master plan available for any of their water infrastructure. This activity is listed as a possible project for future years.

The Municipality is however doing regular maintenance on their entire infrastructure.

4.1.1.5 Associated Facilities

There are 9 Schools and 6 Health Facilities in the Municipal Area. All facilities are serviced with water and sanitation services. The Municipality has enough resources in place to properly bill for the services it is providing.

4.1.1.6 Free Basic Services

Siyathemba Municipality is providing 6kℓ of free basic water to all the indigent households. An Indigent Policy is available which provides the detail with regards to who qualify as an indigent. The Register is updated on an annual basis.

During the 2010/11 financial year, 49% of the households were registered as indigents.

4.1.1.7 Related Projects

- The bulk water supply to Prieska is sustainable. It is envisaged that bulk water supply to Marydale and Niekerkshoop could become a problem within the next 15 - 18 years. Bulk Water Supply Studies are therefore conducted for Niekerkshoop.
- The Municipality is in the process to upgrade the Water Supply Network from the Boreholes to the 2 Reservoirs in Marydale. One of the Reservoir's capacities will also be increased.

4.1.1.8 Challenges

The following key challenges can be identified.

1. Studies indicated that the bulk water supply to Niekerkshoop and Marydale may become a problem in the next few years.
5. Although the municipality progressed very well with regards to the eradication of water needs in their area of jurisdiction, there is still some areas where services needed to be upgraded to a minimum RDP level.
6. No as-build drawings for the internal water reticulation network in Marydale are available.
7. The municipality are doing maintenance of infrastructure on an ad-hoc basis.
8. Currently the Municipality are not providing any services on farm areas.
9. The Blue drop score for the municipality is still very low.

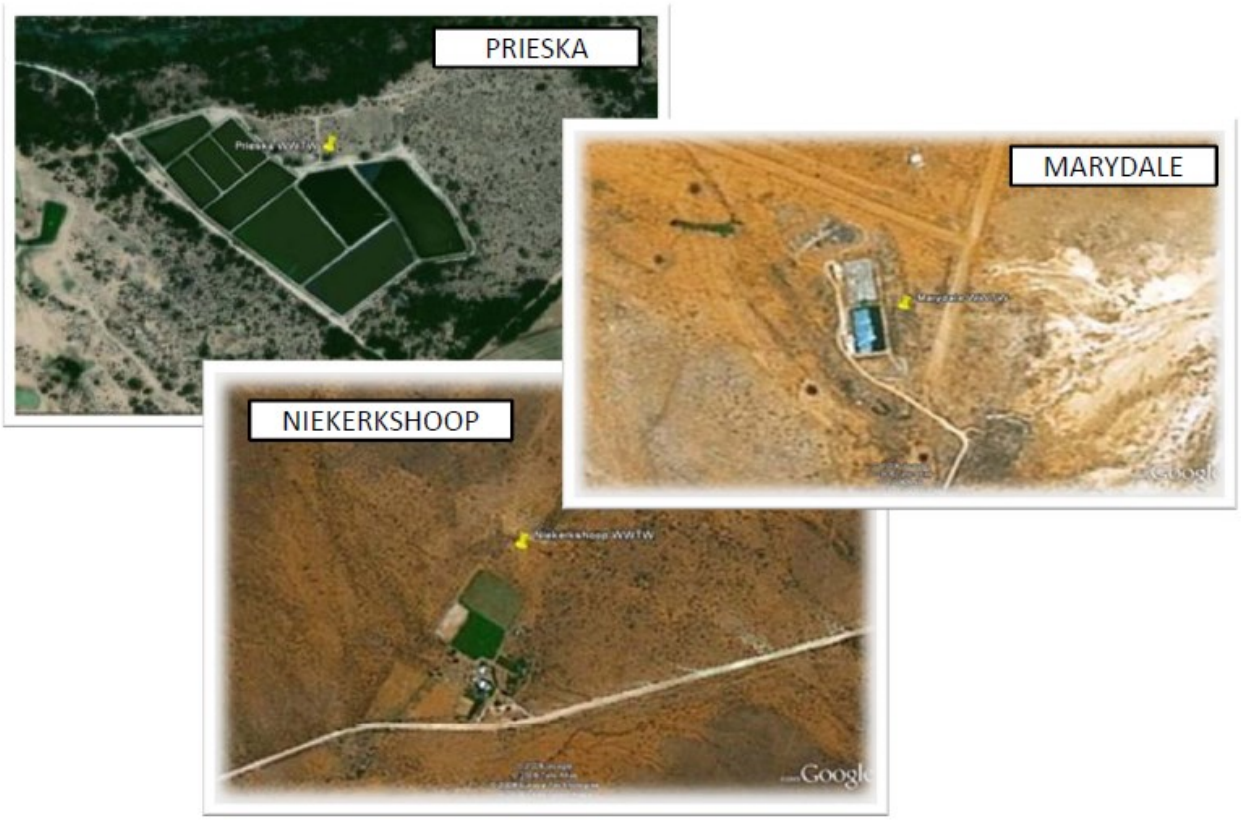
4.1.2 SANITATION

2014

All households to have access to at least ventilated pit latrine on site.

Sanitation services are rendered in Prieska, Niekerkshoop and Marydale. No services are rendered to Copperton, since Alkantpan (Amscor) is responsible for the delivery of water, sanitation, and electricity services. No services are currently being rendered on farms.

4.1.2.1 Wastewater and Collection Infrastructure



The Sanitation Systems in the 3 towns can be summarised as follows:

Table 8: Wastewater Supply Technology

	Prieska[8]	Niekerkshoop[9]	Marydale[10]
Wastewater treatment works	Anaerobic digesters / Oxidation ponds	Oxidation ponds	Oxidation ponds
Design capacity	3Mℓ	3Mℓ	6.5Mℓ
Operate within design capacity	Yes	Yes	Yes
Collection services	1 pump station and approx. 57.3 km pipework	No pump stations and approx. pipework	No pump stations and approx. km pipework.

MARYDALE[11]

The Sanitation System in the Marydale community consists of VIP toilets and some flush toilets with a conservancy tank. The septic tanks are serviced by the Local Municipality staff on a daily basis. The WWTW/Oxidation Pond System in Marydale is utilised for the sewer effluent from the conservancy tanks transported by tankers to the Works. The WWTW is in a process of being upgraded and the Council has submitted Business Plans to the relevant MIG Offices for possible funding of the project. No return flows from the oxidation ponds are available. The tanker loads dumped per day are captured in the Registers to determine the inflow volume.

NIEKERKSHOOP[12]

The Sanitation System in the Niekerkshoop community consists of VIP and UDS toilets and some flush toilets with a conservancy tank. The septic tanks are serviced by the Local Municipality staff on a daily basis. The WWTW/Oxidation Pond System in Niekerkshoop is utilised for the sewer effluent from the conservancy tanks transported by tankers to the Works. The WWTW is in a process of being upgraded and the Council has submitted Business Plans to the relevant MIG Offices for possible funding of the project. No return flows from the oxidation ponds are available and no quality tests are done. The tanker loads dumped per day are captured in the Registers to determine the inflow volume.

8 First order assessment, DWA

9 Calculation made based on size of ponds measured from Google maps

10 Calculation made based on size of ponds measured from Google maps

[11]WRP Consulting Engineers, DMM, Golder, KV3, Zitholele (2009) *Development of a Reconciliation Strategy for All Towns in the Central Region, Frances Baard District Municipality in Northern Cape Province: Reconciliation Strategy for Marydale Town in Siyathemba Local Municipality in the Lower Vaal WMA*, Department of Water Affairs. P.16

[12]WRP Consulting Engineers, DMM, Golder, KV3, Zitholele (2009) *Development of a Reconciliation Strategy for All Towns in the Central Region, Pixley ka Seme District Municipality in Northern Cape Province: Reconciliation Strategy for Niekerkshoop Town in Siyathemba Local Municipality in the Lower Vaal WMA*, Department of Water Affairs. P.162

PRIESKA[13]

The Sanitation System in the Prieska community consists of an internal sanitation system with waterborne sanitation network and onsite sanitation facilities. Furthermore, there are some septic tanks in areas not serviced with the sewer network.

The waterborne sewage contents gravitate through a network of underground sewer pipes to various collection sewage pump stations. Electrical driven submersible sewage pumps transfer the sewage to a main sewer pump station. From this pump station, another set of electrical driven submersible pumps pump the sewage to the Prieska Wastewater Treatment Plant.

The Wastewater Treatment Plant is an Anaerobic Oxidation Pond System. The current capacity of the ponds is 2.2 Mℓ/day and the capacity used, is 95%. All final water or effluent is pumped to the Prieska Golf Club for irrigation of the lawns and fields. The final effluent is not disinfected with chlorine at this stage.

The ponds were upgraded during 2008. No laboratory tests are available on the waste water quality of the Prieska WWTW. Bucket sewage contents are emptied into a tanker and are transported to the Wastewater Treatment Plant.

4.1.2.2 Level of Service

The Municipality progressed very well in reaching the National Target to eradicate sanitation needs in their area of jurisdiction. According to the DWA Geo-data base, the following levels of services are provided:

a. Formal

Settlement	Households 2011	Flush to network	Conservancy tank	VIP	Bucket	None	Unknown	TOTAL SANITATION FORMAL HH
Marydale	785	0	264	213	173	1	0	477
Niekerkshoop	493	0	161	295	0	31	3	456
Prieska	3,089	2,660	0	58	0	307	0	2,718
TOTAL	4,367	2,660	425	566	173	339	3	3,651

[13]WRP Consulting Engineers, DMM, Golder, KV3, Zitholele (2009) *Development of a Reconciliation Strategy for All Towns in the Central Region, Pixley ka Seme District Municipality in Northern Cape Province: Reconciliation Strategy for Prieska Town in Siyathemba Local Municipality in the Lower Vaal WMA*, Department of Water Affairs. P.16

b. Informal

Settlement	Households 2011	Flush to network	Conservancy tank	VIP	Bucket	None	Unknown	TOTAL SANITATION INFORMAL HH
Marydale	785	0	0	0	129	0	0	0
Niekerkshoop	493	0	0	0	0	0	0	0
Prieska	3,089	0	0	0	0	0	0	0
TOTAL	4,367	0	0	0	129	0	0	0

4.1.2.3 Free Basic Services[14]

Siyathemba Municipality is providing free basic sanitation services to all the indigent households. These households do not pay the monthly rates and taxes on sanitation services. For buckets, VIP and conservancy tanks, the service are 100% subsidised by the Municipality. In the case of full waterborne sanitation, 70% of the rates and taxes are paid by the Municipality as part of Free Basic Services.

An Indigent Policy is available which provides the detail with regards to who qualify as an indigent. The Register is updated on an annual basis.

During the 2010/11 financial year, 49% of the households were registered as indigents.

4.1.2.4 Planning

The Municipality does not have any type of Master Plan Document available for sanitation services. Previously, it was addressed as part of the WSDP, but since the responsible Department has changed from DWA to CoGHSTA, this service is no longer discussed in detail in the WSDP.

It should however be noted that most of the critical issues with regards to sanitation service delivery, internal and bulk, have been addressed.

The Municipality is however in the process to compile a Wastewater Risk Abatement Plan to address all the risks with regards to wastewater management. The focus of this Plan is however on management issues and not specifically to improve the level of services and the upgrade of infrastructure.

14 Interview J Badenhorst, 2012-04-13

4.1.2.5 *Operation and Maintenance*

The Municipality does not have an Operation and Maintenance Master plan available for their entire sanitation infrastructure. This activity is listed as a possible project for future years.

The Municipality is however doing regular maintenance on their entire infrastructure.

4.1.2.6 *Quality*

The Municipality participated in the Green Drop Certification Programme implemented by the Department of Water Affairs.

An overall score of 18% were obtained. The specific Waste Supply System scored the following:

- Marydale: 15.2%
- Prieska: 21.9%
- Niekerkshoop: 17%

The following regulatory comments were made in the Green Drop Report 2011:

The Siyathemba Local Municipality has digressed markedly from their fairly good 2009 Green Drop scores (65-71%) to very poor ratings of 15-21% currently. These scores are pointing at some significant factors and decision that has been effected within the municipality, to allow such disgraceful digress in performance. The gaps in the current performance are reaching across all spheres of what is considered good practice in wastewater management. Five assessment areas were scored with 0%, whilst the remainder 4 areas did not fare much better to instil confidence. Of interest is that the technical site visit did not concur with the evidence presented by the municipal staff during the assessment. The Prieska Plant, although not excellent, showed a site that is well maintained and properly operated. This would indicate either a low preparedness for the Green Drop Assessment or a focus on technical site work and not so much the administrative and managerial functions of the wastewater services business.

The overall trend for Siyathemba is therefore a strong negative, and is further evidenced by the CRR trends which indicate that 2 of the Plants are in now in **critical risk space** with a **100% CRR**. This situation demands the urgent attention of municipal management and provincial Local Government. Regulatory actions will be triggered via these findings.

Green Drop Findings:

2. Three of the 3 Wastewater Treatment Plants do not have adequate monitoring regimes in place. With this failure, comes the lack of credible scientific testing and reporting.
10. 100% of the plants are not in compliance with the Effluent Quality Discharge Standards employed within the Municipality.
11. None of the 3 Systems have capacity evidence or plans to rectify the non-compliance scenario, with the exception being Prieska.
12. Basic systems, procedures, manuals and processes are lacking for all 3 Systems, which is evident of management dis-functionality.
13. Underlying to the above findings is the evidence that adequately qualified and registered staff is not in place, and that resources are not readily mobilised to address the gaps reported to Management.

4.1.2.7 Related Projects

During the 2011/12 financial year, the Municipality received funds from DWA from the Accelerated Community Infrastructure Programme (ACIP). This grant was utilised to refurbish sanitation infrastructure and equipment. The following were done:

Table 9: Sanitation Related Projects

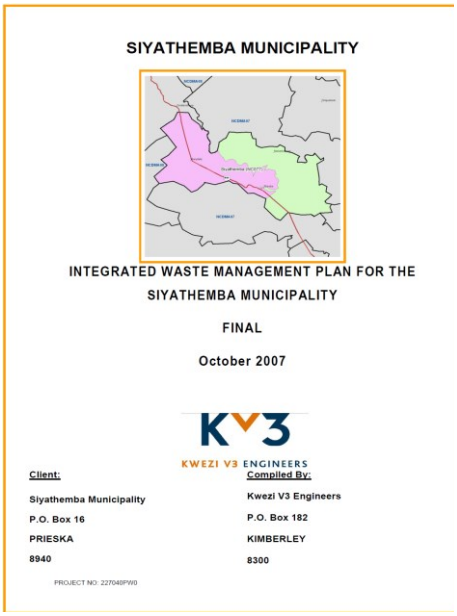
Town	Activities
PRIESKA	Purchase of Two standby sewer pumps (No.2) Refurbishment of sewer tanker intake (No. 1) Replacement of manhole covers at main sewer pump sets
MARYDALE	Refurbishment of sewer tanker intake Refurbishment/Replacement of night soil suction tanker Fence oxidation pond area
NIEKERKSHOOP	Refurbishment of sewer intake to oxidation ponds Refurbishment/Replacement of sewer tanker

4.1.2.8 Challenges

1. The wastewater treatment facility in Marydale does not function as a proper wastewater treatment works.
2. There are still bucket toilets in the area which needs to be eradicated as a matter of urgency.
3. VIP toilets are collapsing. These households do not have access to a safe and decent sanitation facility.
4. A high percentage of households do have access to a sanitation facility which is in line with minimum standards. The municipality however aims to provide waterborne sanitation to all households. There are dry sanitation facilities which need to be upgraded.
5. Households in the informal area in Prieska do not have access to proper sanitation facilities. There are however vacant erven which do have proper services. These people need to be relocated to these areas.

6. The municipality are doing maintenance of infrastructure on an ad-hoc basis. A proper Operation and Maintenance plan needs to be developed for all the water infrastructure/assets.
7. Currently the Municipality are not providing any services on farm areas. A strategy needs to be developed with regards to the latter.
8. The Green drop score for the municipality is still very low. General wastewater management needs to be improved.

4.1.3 WASTE MANAGEMENT[15]


SIYATHEMBA MUNICIPALITY

INTEGRATED WASTE MANAGEMENT PLAN FOR THE SIYATHEMBA MUNICIPALITY

FINAL

October 2007

KWEZI V3 ENGINEERS

Client:
Siyathemba Municipality
P.O. Box 16
PRIESKA
8940

Compiled By:
Kwezi V3 Engineers
P.O. Box 182
KIMBERLEY
8300

An Integrated Waste Management Plan was compiled for Siyathemba Municipality during 2007 and the document was finalised during October 2007.

The services which the Municipality is delivering are categorised as follows:

- Refuse removal
- Street cleansing
- Landfill sites, transfer stations and bulk containers

The Municipality is rendering this service internally and it is coordinated from Prieska. The service delivery for the various towns is managed from the Local Service Delivery Centres due to the distance of the towns from each other. There is also no private waste contractors active within the municipal area.

The Siyathemba Municipality does not have a set of Bylaws which comprehensively address the Council's responsibility for the removal of refuse, management of disposal facilities, waste minimisation, illegal activities, payment of fees and penalties.

There are currently no formal Municipal driven waste minimisation activities taking place in the Siyathemba Municipality. However, the Municipality is assisting one individual to recycle glass bottles from the landfills.

15 Integrated waste management plan for Siyathemba Municipality October 2007

The Municipality is also currently not offering any recycling incentives to private people or businesses.

4.1.3.1 Waste Removal

A regular waste removal service is provided to all the urban areas within the Municipality. The farming areas of the Siyathemba Municipality do not receive a waste removal service. The provision of such a service is at the moment not envisaged by the Municipality.

The Siyathemba Municipality utilises a Black Refuse Bag System. Residents have to buy their own refuse bags. The Municipality accepts any number of bags per household, so there is no specific limit. The bags are placed on the curb outside the house and collected from there. In some areas in Prieska, as well as in Marydale and Niekerkshoop, people put out their refuse bins from where it is emptied onto a truck.

Waste removal service, residential and businesses, are done once a week.

The Municipality charge 49.57 per month per household to delivery this service.

In all the towns within the municipal area, small amounts of garden waste are collected together with general household waste.

There is one Provincial Hospital (in Prieska) and smaller Medical Clinics in Niekerkshoop and Marydale. The Municipality is not involved in the removal of any medical waste from these Institutions. The medical waste is collected by SANUMED and incinerated and disposed of in the Free State. The Municipality does not experience any problems with medical waste at the landfill sites.

Industries in the area are mostly confined to light industries. The Municipality is currently not experiencing any problems with regard to the disposal of hazardous waste from industry or mining activities on the existing disposal facilities.

Street sweeping is done in the CBD's of areas of Prieska, Niekerkshoop and Marydale. There is no street sweeping in the residential areas and the residential areas will only be cleaned if it is necessary to do so.

4.1.3.2 Waste Disposal

Each of the towns has its own solid waste disposal site.

Table 10: Waste disposal

Town	Site
Prieska	Existing permitted landfill site
Marydale	Existing unauthorised landfill site
Niekerkshoop	Existing unauthorised landfill site

a. **Prieska**

The landfill in **Prieska** is a Class G:C:B$^-$ permitted site. The site has approximately enough airspace for the next 20 years. The site is not well managed due to certain financial and personnel constraints. The waste is not covered on a regular basis and is burned once disposed of. The site is not fenced and access is not controlled. No record-keeping takes place at the entrance to the site. Wind-blown litter is a serious problem at the site. There was one employee stationed at the site.

Table 11: Prieska Landfill Site

Position of site:	**4 km south of town.**
Permit:	Yes
Year issued:	14/4/2003
Classification of site:	Class G:C:B-
Type of Operation (end – tip, trench, cell):	There is only a large area excavated for dumping purposes. Waste is disposed haphazardly and burned.
Estimated size of site:	Approximately 2 ha.
Estimated remaining life of site:	The remaining life of the site is 20 years
Separation of fresh and contaminated water:	None in place.
Groundwater monitoring:	Not required in permit
Volumes per day, week or month:	It is estimated that the site receives approximately 76 tonnes per week.
Is cover material available?	No
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	No.
Does the site have a sufficient buffer zone?	Yes. No houses situated in the proximity of the site.
Type of equipment utilised on site:	None
Operating hours:	7h30 to 16h30
Estimating cost for closure:	No estimate regarding closure exists. Due to the extended life of the site, the Saving Plan is not in place yet.
Saving Plan for closure:	

In general, the proposed Works can be summarized in the following projects and activities:

- Clean the area outside the throughput
- Bulldozed, compact and covered waste with a gravel layer
- Build a new incinerator with separation cages and dump area
- Replace the old incinerator with a new incinerator
- Excavate a new through put

b. Niekerkshoop

The landfill site at **Niekerkshoop** is located 7 km outside town. The site is fenced (needs maintenance), but access is not controlled. The open burning of waste in a pit forms part of the operational procedure for the site. The waste is not covered on a daily basis due to the absence of proper landfill equipment. The operation of the site is not up to an acceptable standard.

Table 12: Niekerkshoop Landfill Site

Position of site:	**7 km east of town**
Permit:	No
Year issued:	N/A
Classification of site:	Not permitted - no classification.
Type of Operation (end – tip, trench, cell):	Site is an open pit where waste is burned indiscriminately.
Estimated size of site:	Approximately 2.5 ha.
Estimated remaining life of site:	20 years
Separation of fresh and contaminated water:	None in place.
Groundwater monitoring:	No groundwater monitoring takes place.
Volumes per day, week or month:	It is estimated that the site receives approximately 4 tonnes per week.
Is cover material available?	No
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	Yes, however the existing fence needs some maintenance
Does the site have a sufficient buffer zone?	Yes, the site is situated some distance away from the town.
Type of equipment utilised on site:	None
Operating hours:	None
Estimating cost for closure:	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.
Saving Plan for closure:	

c. Marydale

The **Marydale landfill site** is located 3 km north of town. The site is not fenced and access is not controlled. Wind-blown litter is also a serious problem in the vicinity of the site. There is no landfill equipment on the site and therefore covering of the waste does not occur at all. The site is not properly operated with waste being disposed of haphazardly and burned after disposal.

Table 13: Marydale landfill site

Position of site:	**3 km North of town**
Permit:	No
Year issued:	N/A
Classification of site:	Not permitted - no classification.
Type of Operation (end – tip, trench, cell):	Site is an open pit where waste is burned indiscriminately.
Estimated size of site:	Approximately 1.5 ha.
Estimated remaining life of site:	Expected to be 20 years
Separation of fresh and contaminated water:	None in place.
Groundwater monitoring:	No groundwater monitoring takes place.
Volumes per day, week or month:	4.4 tonnes/week
Is cover material available?	No
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	No
Does the site have a sufficient buffer zone?	Yes
Type of equipment utilised on site:	None
Operating hours:	7h30 to 16h30
Estimating cost for closure:	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.
Saving Plan for closure:	

In general, the proposed Works can be summarized as follows:

- Opening up of new cells
- Building of ablution facilities and control / storage room
- Erection of fence and access gate
- Clean the area outside the throughput
- Bulldozed, compacted and covered waste with a gravel layer
- Re-gravel the access road
- Construction of a low water bridge.
- Storm water Control

4.1.3.3 Equipment

The Siyathemba Municipality has a few vehicles that are old and are due for replacement. The tipper truck utilised in Prieska for example, is in need of replacement. The Municipality is responsible for the maintenance of their own vehicles.

The equipment that is utilised by the Siyathemba Municipality is given below in the Table below.

Table 14: Vehicles

REG NUMBER	MODEL	VEHICLE DESCRIPTION	CONDITION*	Based
DBR 984 NC	1985	Isuzu Tipper truck (6m^3)	Bad	Prieska
BFN 334 NC	1993	Tractor Trailer	Fair	Niekerkshoop
BFD 423 NC	1977	Tractor Trailer	Bad	Marydale

*Note that the indicated **VEHICLE CONDITION** is a subjective as assessment of the vehicles and no mechanical assessment of the vehicles had been conducted for this Study.

The Siyathemba Municipality has no transfer stations within the municipal area.

4.1.3.4 Related Projects

2 MIG Projects are ongoing in Prieska and Marydale to upgrade the landfill sites in order to comply with legislation. These projects are MIG Projects with a value of R3,9930 million.

4.1.3.5 Challenges

1. Illegal dumping of waste is common in several of the outlying and township areas. The Municipality has to collect this waste at an unnecessary cost. The Siyathemba Municipality has recognized the need for education of the people regarding this practice; however, nothing has yet been implemented. The Municipality is also experiencing dumping of waste in areas not demarcated for waste disposal.
2. Waste volumes are also not recorded at the entrances to the disposal sites.
3. There are no Waste Minimization Strategies that have been developed. These need to be addressed and implemented.
4. The new developments that are taking place in the Siyathemba Municipality must be included for the provision of a waste disposal service.
5. Illegal dumping of waste is common in several of the outlying and township areas. The illegal disposal should be addressed in order to manage and minimize the illegal activities pertaining to waste disposal.
6. New Municipal Bylaws should be drafted by the District Municipality (for use by the Local Municipalities within the District) that pertain directly to waste and issues surrounding waste management. Issues such as waste minimization and recycling, etc., should be dealt with in the Bylaws.
7. The Siyathemba Municipality has a shortage of personnel, specifically with regard to the management of the disposal sites. Limited or no personnel are present at the disposal

sites. Vacant posts should be filled and posts should be created for the management of the disposal sites.

8. The Siyathemba Municipality has a few vehicles that are old and in poor condition that are due for replacement.
9. The Niekerkshoop and Marydale disposal sites are not authorized. The process to authorize these disposal facilities should be initiated by the Municipality. The operation of these sites is not up to standard. The sites should be upgraded (properly fenced/secured, guard house with ablution) and the operations should be improved in accordance with the Minimum Requirements for Waste Disposal by Landfill document.
10. The Prieska Disposal Site should be upgraded (fenced, guard house and ablution facility) and operated in accordance with the Permit Conditions for the site, as well as the Minimum Requirements for Waste Disposal by Landfill as published by the Department of Water Affairs.
11. Access should be controlled at the disposal facilities and a record should be kept of the types and volumes of waste that is being disposed of at each site.
12. Municipal waste records should be kept and maintained for informed future decision-making purposes and to comply with the Government's Waste Information System requirements.
13. A Mitigation Strategy or some form of succession planning should be developed for the expected increase in HIV-AIDS related deaths amongst personnel.
14. A Public Awareness and Education Programme should be implemented consisting of flyers, newspaper notices and road shows.
15. The Municipality does not have an Air Quality Management Plan. Since Prieska is situated in close vicinity of the SKA development, a decision needs to be taken whether the development of such a plan should be prioritized.

4.1.4 ELECTRICITY/ENERGY

Siyathemba Municipality, together with ESKOM, is responsible for electricity supply in the 3 towns.

Table 15: Responsible Institution

	Internal network	Public lighting
Prieska	LM and ESKOM	LM
Niekerkshoop	ESKOM	LM
Marydale	ESKOM	LM

In the LED Strategy of the Municipality, the following Table was included. Reference were made that spatial projections based on Census 2001 and Quantec Research 2012 were used. It is also said that

it was estimated that some 85% to 90% of households in the Municipal area had access to electricity during 2010.

Table 16: Access to Electricity

Sub-Place	Number of Households		Level of Access
	2001	2010	
E'Thembeni SP	585	790	75.9%
Marydale SP	412	556	84.2%
Niekerkshoop SP	399	539	90.9%
Prieska SP	520	702	82.1%
Lemnertsville	1165	1 574	96.4%
Hay NU	88	119	58.6%
Prieska NU [Part of P3D03M07M05]	393	531	80.2%
Westerberg SP	1	1	100.0%
Total	**3561**	**4 812**	**85.2%**

The level of household access to electricity has improved slightly from 85.4% in 2001 to over 87% during 2010. Most farms in the area procure their electricity directly from ESKOM.

The Municipality has an Electricity Master Plan available which was developed in the early 2000. The Municipality works according to this Plan to upgrade electricity infrastructure, as well as to develop new infrastructure.

Electricity service is done by the municipality in a part of Prieska. This is the smallest section in the infrastructure department and the staff establishment is currently 5 employees.

Two areas in Prieska still need to be upgraded because the electricity network is old and power failures occur. The Municipality applied for money to upgrade it, but all applications at the Department of Energy have been turned down, because they argue that INEP funds cannot be allocated for the upgrading of existing electricity infrastructure. The biggest part of Prieska, as well as the whole of Marydale and Niekerkshoop, is being supplied by ESKOM directly to customers.

Apart from meter inspections and new installations, maintenance work is done that relate to complaints received or faults which occur. Maintenance work includes:

- Maintenance of high and low voltage networks
- Maintenance of street and high mast lights
- New and maintenance of house connections
- Maintenance of electrical equipment at municipal installations and buildings such as water treatment works, borehole submersible pumps, sewerage pumps stations, waste water treatment works, etc.
- Offices

- Community halls

The electrical service provides a standby service on a full time (24 hrs) basis in order to react to complaints and limit power failure to a minimum.

4.1.4.1 Challenges and Areas to Improve Service Delivery

1. The Master plan for the Municipality was developed during 1998. This plan needs to be revisited and updated.
9. The Municipality need to complete the MIG projects registered during the previous financial years.

4.1.5 STORM WATER

Very little infrastructure exists within the Municipality. There is only a small portion of Prieska where storm water infrastructure exists.

The Municipality does not have an Storm Water Management Plan.

4.1.5.1 Challenges and Areas to Improve Service Delivery

1. Development of a Storm Water Management Plan which will assist the Municipality to phase in this service on a sustainable and cost effective manner.

4.1.6 SOCIAL SERVICES

4.1.6.1 Housing

The Municipality appointed ASLA Devco (Pty) Ltd on a 3 year contract to act as a Turnkey Implementing Agent for housing and housing related infrastructure. The Team started to develop a Housing Action Plan, with the aim to ensure effective allocation of limited resources, to provide a formal and practical housing priority for implementation and identify the Strategic Implementation Plan for the housing need in Siyathemba Municipal Area. The Municipality therefore does not have an Approved Housing Sector Plan, but a Draft Housing Action Plan is available.

The Municipality does not have updated figures available regarding the housing need in their area of jurisdiction. This is a major challenge for the Municipality and proper planning cannot be done since status quo information is not available. As soon as data is available with regards to the housing need in the area, the Municipality will have a better understanding of the challenges in terms of housing and will be in a better position to identify specific housing subsidy schemes (BNG, rental, etc.) to address these needs.

During 2010, the following information was captured in the Housing Plan: Data Collection and Project Readiness.

Table 17: Housing Needs

MUNICIPALITY	HOUSING NEED	NUMBER OF SITES AVAILABLE FROM 2010/11
SIYATHEMBA TOTAL	5,302	642
Marydale	1,292	115
Niekerkshoop	521	60
Prieska	1,689	467
General to cater for Future Growth	*1,800*	*Town Planning under Construction*

The allocations for Siyathemba Municipality are in general relatively small. The Municipality is therefore struggling to address the housing need in the area. With the Housing Allocation to date Siyathemba manage to build 20 and 203 new RDP houses units in Prieska in to the values of R1, 804,000.00 and R20, 354, 233.86 respectively and 55 in Marydale and 54 Niekerkshoop. A new application for 364 houses for Prieska was submitted with COGHSTA and the Municipality still wait for the approval of this funding. The services of the sites have been completed and the Top Structures need to be done. The construction of Conservancy Tanks in both Marydale and Niekerkshoop are also underway.

Plans are underway to construct the entire back-log of 5000 at once.

These Areas earmarked for new housing development and extensions are the indicated in the figures below:

Figure 3: Prieska Housing Development Area

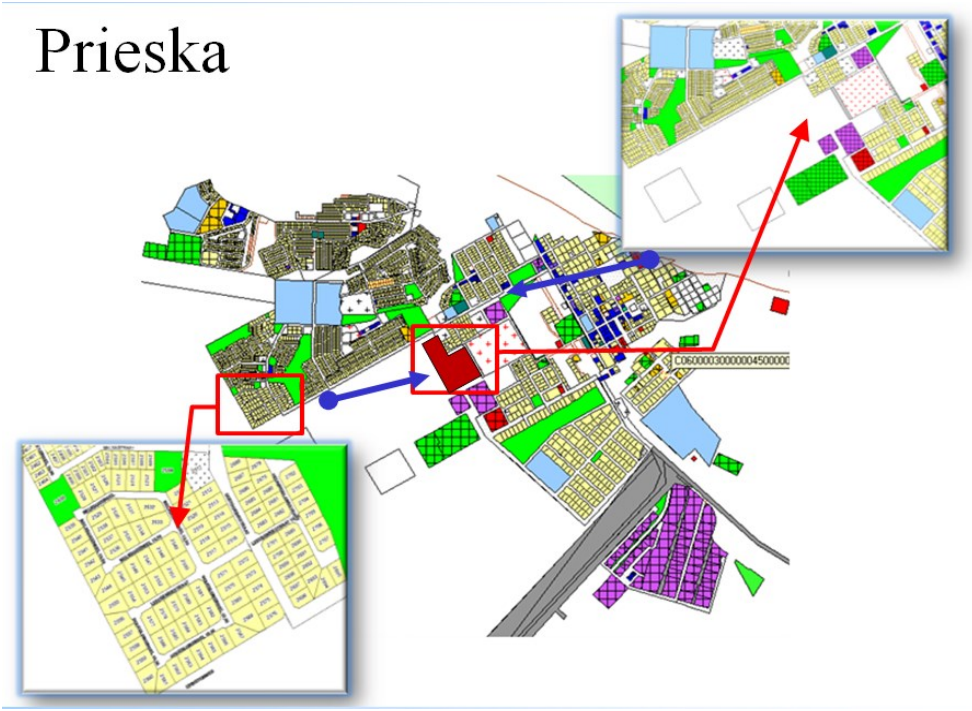
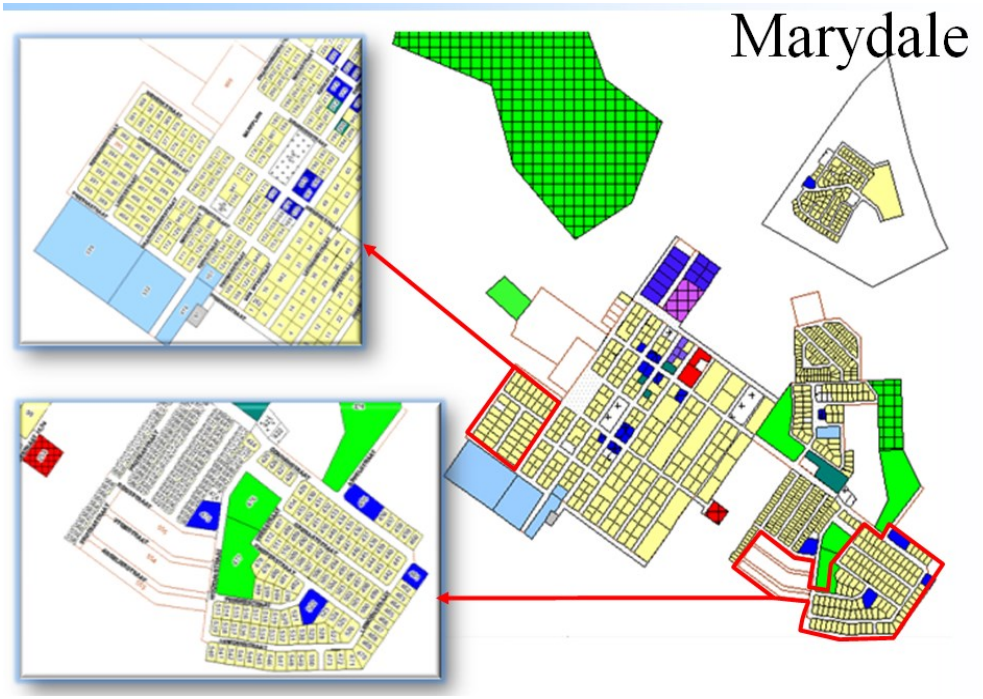
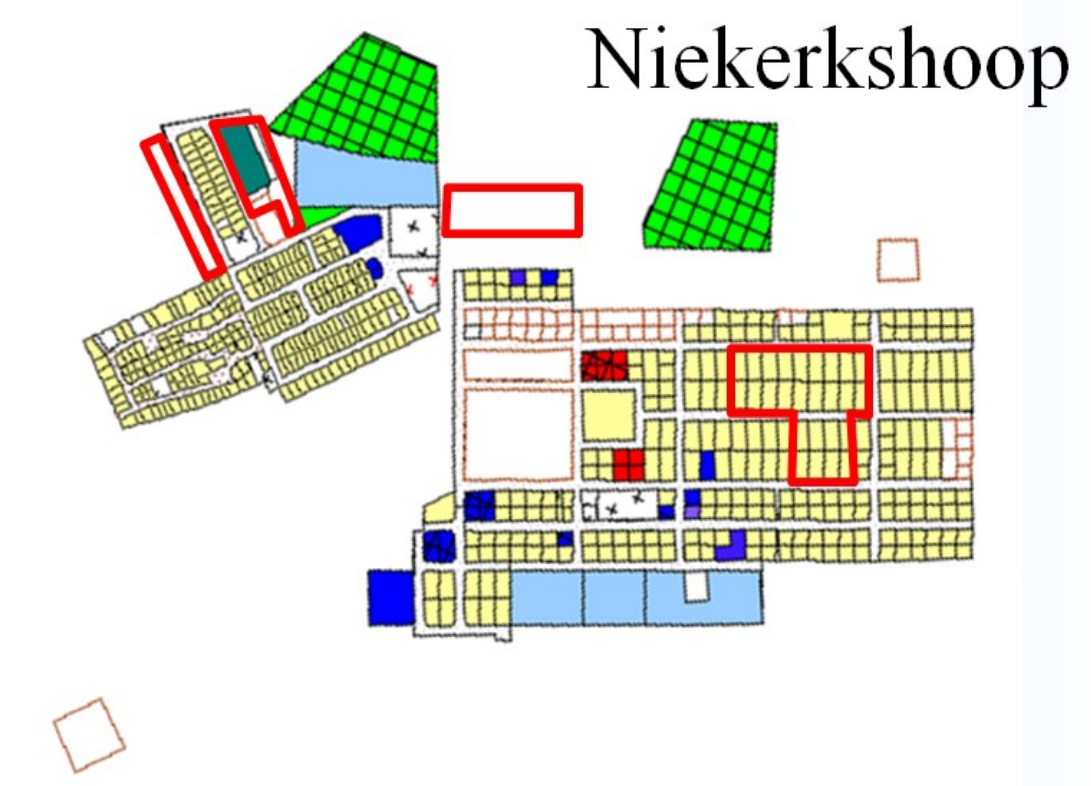


Figure 4: Marydale Housing Development Area





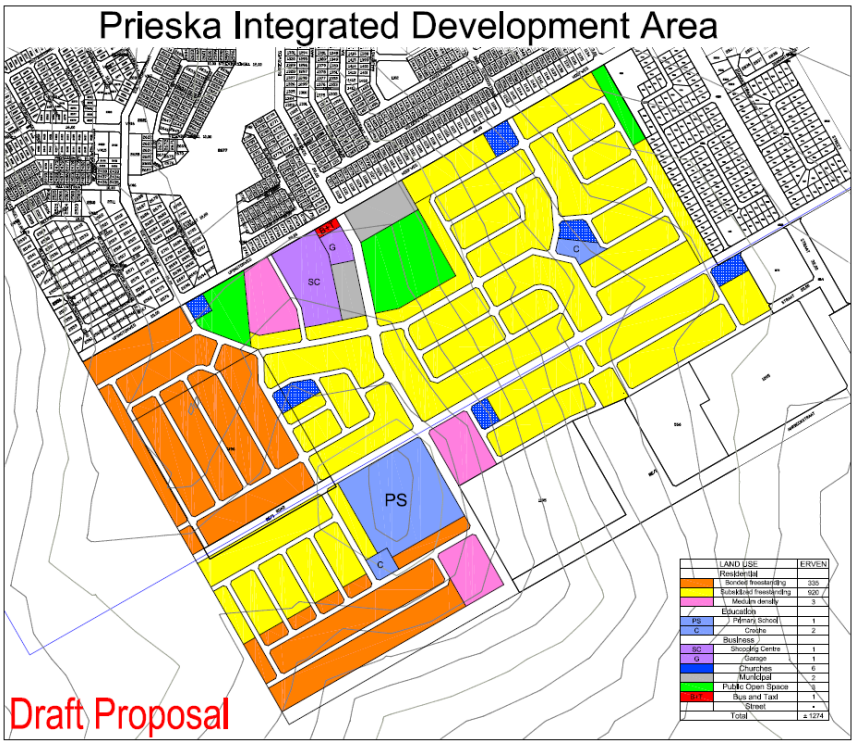
Other housing projects which are currently in the pipeline are the following;

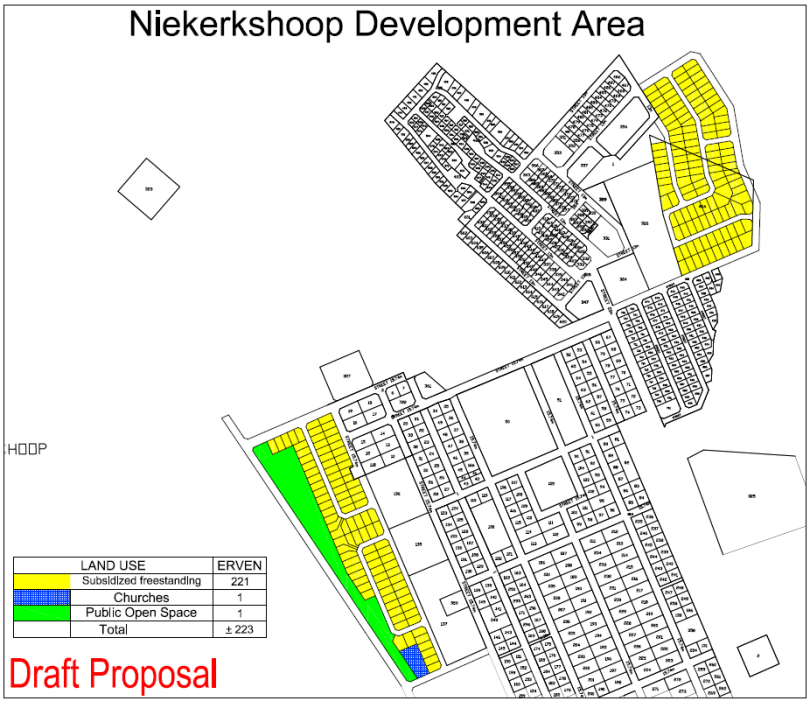
- Fairview Extension 15, Prieska. The Business Plan was prepared for the erection of 364 Top Structures.
- The Construction of 55 Top Structures in Marydale and 54 in Niekerkshoop is underway.

4.1.6.2 *Challenges and Areas to Improve Service Delivery:*

1. The Municipality does not have proper and realistic information with regards to the housing need in the area.
2. The Implementing agent, together with the municipality started with the development of a Housing Action plan. The aim of this plan needs to be revisited in order to ensure that it can fulfil the role of an Integrated Housing Sector plan. Thereafter the plan needs to be finalised.
3. The Municipality does not have a Spatial Development Plan/Framework to guide development in the area.
4. Progress with regards to the relocation of the Koegas settlement is very slow. The municipality should only play a facilitators role in this regard.

4.1.6.3 *Propose Town Planning to Advance Housing Development:*





4.1.7 HEALTH SERVICES

The following health facilities are available within the jurisdiction area of the Municipality:

Type of Clinic	Clinic name	Town/village name	Sufficient sanitation services	Sufficient water services
Permanent Clinic	Niekerkshoop Clinic	Niekerkshoop	Yes	Yes
Permanent Clinic	E'Thembeni Clinic	Prieska	Yes	Yes
Permanent Clinic	Marydale PHCC	Marydale	Yes	Yes
Permanent Clinic	Prieska Clinic	Prieska	Yes	Yes

The Municipality does not experience much challenges with regards to the availability of Clinics and/or Hospitals. The support services such as roads, electricity, water and sanitation are also sufficient.

The Mayor mentioned the following in the Annual Report:

"We are well covered by a Hospital in Prieska, Clinics in Niekerkshoop and Marydale and at present, we face challenges in the areas of ambulances (Niekerkshoop), and Medical Practitioner shortages. Medicine shortages are in the process to be addressed."

According to the Service Transformation Plan of the Department of Health, Prieska qualifies for a Community Health Centre. No information is however available on when such a facility will be constructed.

4.1.7.1 Challenges

1. Niekerkshoop does not have any Ambulance services. Negotiations with Dept of health should be initiated to identify possible solutions.
2. It is indicated that Prieska community qualify for a Community Health Facility. The municipality only have limited information with regards to this proposed project. Negotiations with Dept. of health should be initiated to develop a plan of action.

4.1.7.2 Education

The following Schools are within the Municipal area:

School name	Town/village	Learner enrolment total	Educator Total	Admin & support - Total	Type of school
Bloukrans School	Farm	78	3	2	Combined
Modderfontein (Sskv) School	Farm	35	1	0	Primary
Sonskyn School	Marydale	678	19	4	Combined
Môreson School	Niekerkshoop	473	15	4	Primary
Hoërskool Prieska	Prieska	378	20	9	Combined
J.J. Dreyer School	Prieska	830	24	6	Primary
R.D. Williams School	Prieska	980	27	9	Primary
Prieska School	Prieska	330	11	5	Primary
Redlands School	Prieska	42	2	0	Primary
Heuwelsig School	Prieska	990	29	8	Secondary

The Municipality does not experience much challenges with regards to the availability of schools. The support services such as roads, electricity, water and sanitation are also sufficient.

4.1.7.3 Other Services

In the table below, a short description is also given on other services which form part of the Infrastructure and Service Delivery Division within the Municipality:

Table 18: Other Services

Service line	Status quo
Safety and Security	There is a Police Station in each of the 3 towns.

	There is no fire brigade in the municipal area. The Municipality does not have a Disaster Management Plan. A Community Safety Plan is developed. The Municipality is in the process to obtain a copy of this plan.
Town Planning and Building Centre	The staff involved in Town Planning and Building Centre provides information to other Departments, as well as Consulting Engineers and Consultants regarding proposed developments and land information on a continuous basis.
Cemeteries	The Council has 3 cemeteries in Prieska where burials take place. Currently, we are busy with a MIG Project to upgrade one of them because more space becomes essential. In Niekerkshoop and Marydale there are also 2 cemeteries in each town where burials take place. In Niekerkshoop and Marydale, we are currently also busy with a MIG Project in order to upgrade 2 cemeteries because more space is needed for burials.
Airfield	The Airfield in Prieska is suitable for airplanes to land and take off. There are 2 gravelled runways that are gravelled regularly. This airfield is registered with the Civil Aviation Authority and is inspected by them every year after which a license is issued to the Municipality.
Commonage	The Municipality's commonage covers an area of 33 000 ha. The commonage is currently used mainly by emerging farmers. Infrastructure on the commonage is being vandalized by thieves who remove fences, windmills and other infrastructure.

4.1.8 SUMMARY OF PROJECTS TO ENHANCE SERVICE DELIVERY

SIYATHEMBA PRIORITY PROJECTS TO ENHANCE SERVICE DELIVERY							
KEY PERFORMANCE AREA	**ISSUES**		**POSSIBLE PROJECTS**	**SHORT TERM**	**MEDIUM TERM**	**LONG TERM**	**CONTINUOUS**
Basic Service Delivery & Infrastructure Development	**Upgrading & Maintenance of sportsgrounds and facilities**	**4.1.8.1**	Short Term, maintenance project for sports ground	x			
		4.1.8.2	Planning and Development of new sports grounds		x		
		4.1.8.3	Show grounds - greenery				x
		4.1.8.4	Show grounds - electrification		x		
		4.1.8.5	Security and Sports Grounds				x
	Refuse Bins & Refuse Removal	**4.1.8.6**	Refuse removal- maintenance project - Weekly				x
		4.1.8.7	Refuse bins project - fixed structure	x			x
		4.1.8.8	Vehicle acquisition & Movable Bins		x	x	x
		4.1.8.9	Policy Development	x			
	Planting of Trees	**4.1.8.10**	Project with Water Affairs, Business Plan and Application	x			
	High Mast Lighting	**4.1.8.11**	Public Lightning for all three Towns				
		4.1.8.12	Renewable Energy Projects				
	Cemeteries - Vandalising & Maintenance	**4.1.8.13**	Maintenance of Cemeteries	x			
	Municipal Yellow Fleet	**4.1.8.14**	Replacement of Fleet		x	x	
	Access Roads	**4.1.8.15**	Internal Projects				x

SIYATHEMBA PRIORITY PROJECTS TO ENHANCE SERVICE DELIVERY							
KEY PERFORMANCE AREA	**ISSUES**		**POSSIBLE PROJECTS**	**SHORT TERM**	**MEDIUM TERM**	**LONG TERM**	**CONTINUOUS**
	Roads	**4.1.8.16**	Paving of All Roads				x
	Sanitation - VIP's & Buckets	**4.1.8.17**	Marydale Bulk Sewer Line, Pump Station and Rising Main	x			
		4.1.8.18	VIP in Marydale				x
	Water infrastructure	**4.1.8.19**	Upgrade of Water works in Prieska		x		
		4.1.8.20	Refurbishment of Prieska Water Treatment Works and Reticulation S				x
		4.1.8.21	Build Bulk Water Supply from Prieska Water Works into Reticulation Network to Townships in Prieska		x		
		4.1.8.22	Upgrading of Internal Water Reticulation in Marydale				x
		4.1.8.23	Upgrading of External Bulk Water Supply in Marydale				x
		4.1.8.24	Smart Water Metering	x			
Municipal Transformation & Institutional Development	**Protection of Municipal Buildings (Security)**	**4.1.8.25**	Programme for the securing of all Municipal Infrastructure				x
	Fire Brigade & Training of Volunteers	**4.1.8.26**	Bi-Annual Training Programme	x			x
	Staff of the Municipality	**4.1.8.27**	Wellness programme	x			x

SIYATHEMBA PRIORITY PROJECTS TO ENHANCE SERVICE DELIVERY							
KEY PERFORMANCE AREA	**ISSUES**		**POSSIBLE PROJECTS**	**SHORT TERM**	**MEDIUM TERM**	**LONG TERM**	**CONTINUOUS**
	Organisational Structure Review	**4.1.8.28**	Establishment of the Youth, Transversal Programmes Desk	x			
Local Economic Development	**Management of the Commonage**	**4.1.8.29**	Finalisation of the Policy Environment	x			
	Job Creation	**4.1.8.30**	Development of the LED Strategy of the Municipality	x			
		4.1.8.31	Institute a SMME and LED Office	x			
		4.1.8.32	Develop a programme for SMME assistance	x			
	Policy in Management of Potential Service Providers	**4.1.8.33**	Policy Development, Local contents in Services to be provided,	x			
	Electronic Advertising Board	**4.1.8.34**	Erection of an Advertising board	x			
	Tourism Potential to be used better	**4.1.8.35**	Tourism Policy	x			
Municipal Financial Viability & Management	**Management of Utility Accounts on Erven not in use**	**4.1.8.36**	Smart Metering	x			
	Prepaid Services - Vendors availability	**4.1.8.37**	Smart Metering	x			
	Management of Old Debt	**4.1.8.38**	Smart Metering				x
	Enhancement of Revenue, Meters	**4.1.8.39**	Smart Metering	x			
Good Governance & Public Participation	**Local Radio Station**	**4.1.8.40**	Investigation of all possibilities of communication with			x	

SIYATHEMBA PRIORITY PROJECTS TO ENHANCE SERVICE DELIVERY							
KEY PERFORMANCE AREA	**ISSUES**		**POSSIBLE PROJECTS**	**SHORT TERM**	**MEDIUM TERM**	**LONG TERM**	**CONTINUOUS**
			communities				
	Disaster Management	**4.1.8.41**	Programme Development	x			
	Inter-Governmental Relations	**4.1.8.42**	Establishment of Local Mayoral Forum	x			
	Inter Municipal & Community Communication Platforms	**4.1.8.43**	Establishment of Local Mayoral Forum	x			
	Ward Committees	**4.1.8.44**	Training of Ward Committees	x			
	Operation of Standing Committees and MPAC	**4.1.8.45**	Programme for Standing Committees Meeting	x			
Non-Municipal functions	**Housing - need**	**4.1.8.46**	IGR	x			
	Day- Care / Crèches (Early Childhood Dev Centres)	**4.1.8.47**	IGR	x			
	Running of the Hospital in Prieska	**4.1.8.48**	IGR	x			
	Ambulance Services	**4.1.8.49**	IGR	x			
	Addressing of Drug Abuse	**4.1.8.50**	IGR	x			
	Street Children (Place of Safety)	**4.1.8.51**	IGR	x			
	Housing Development	**4.1.8.52**	Apply for Town Planning of 5 500 Inhabitants	x			x
		4.1.8.53	Apply for Bulk Services of Plots		x	x	
		4.1.8.54	Apply for Housing Units from different Sources	x			x
		4.1.8.55	Municipality to apply to the	x			x

SIYATHEMBA PRIORITY PROJECTS TO ENHANCE SERVICE DELIVERY							
KEY PERFORMANCE AREA	**ISSUES**		**POSSIBLE PROJECTS**	**SHORT TERM**	**MEDIUM TERM**	**LONG TERM**	**CONTINUOUS**
			DoE and Eskom to Electrify both Formal and Informal Settlements				
		4.1.8.56	Apply for High mast Lights Funding and Implementation		x		x
	ATM- Marydale	**4.1.8.57**	IGR	x			
	Libraries - new possible	**4.1.8.58**	Niekerkshoop and E'Thembeni	x			
	Housing (Sites and Services) (Asbestos Roofs)	**4.1.8.59**	IGR	x			
	Town Development - new sites (Rooi Block & Ram Camp)	**4.1.8.60**	IGR	x			
	Access Roads	**4.1.8.61**	Niekerkshoop (Public Works)	x		x	

PROJECT SPENDING SINCE 2008

Year – 2017/18

Project name	Project value	Year Funded	Project area	Grants & Investment
Marydale Bulk Sewer Line & Rising Main(MIG 1327)	579 183	2017/2018	Marydale	579 183
Prieska Bulk Water Line (MIG 1331)	768 455	2017/2018	Prieska	768 455
Upgrading of Gravel streets (MIG 1028)	1 238 464	2017/2018	Marydale	1 238 464
Upgrading of Gravel streets (MIG 1398)	4 336 641	2017/2018	Siyathemba	4 336 641
Marydale Bulk Ground Water Supply	689 236	2017/2018	Marydale	689 236
Integrated National Electrification Grant (INEP)	76 000	2017/2018	Siyathemba	76 000
Municipal Systems Improvement Grant (MSIG)	787 000	2017/2018	Siyathemba	787 000
Financial Management Grant (FMG)	2 345 000	2017/2018	Siyathemba	2 345 000
Department of Water Affairs (DWA)	0	2017/2018	Siyathemba	0
Sports Arts and Culture (Library)	12 90 000	2017/2018	Siyathemba	12 90 000
Expanded Public Works (EPW)	1 000 000	2017/2018	Siyathemba	1 000 000
Equitable Share	25 624 000	2017/2018	Siyathemba	25 624 000
	38 733 979			**38 733 979**

Year – 2016/17

Project name	Project value	Year Funded	Project area	Grants & Investment
Marydale Bulk Sewer Line & Rising Main(MIG 1327)	485 502	2016/2017	Prieska	485 502
Prieska Bulk Water Line (MIG 1331)	1 628 720	2016/2017	Prieska	1 628 720
Upgrading of Gravel streets (MIG 1028)	5 727 467	2016/2017	Siyathemba	5 727 467
Upgrading of Gravel streets (MIG 1398)	3 682 338	2016/2017	Siyathemba	3 682 338
Integrated National Electrification Grant (INEP)	500 000	2016/2017	Siyathemba	500 000
Municipal Systems Improvement Grant (MSIG)	750 000	2016/2017	Siyathemba	750 000
Financial Management Grant (FMG)	2 010 000	2016/2017	Siyathemba	2 010 000
Department of Water Affairs	0	2016/20	Siyathem	0

(DWA)		17	ba	
Sports Arts and Culture (Library)	1 793 289	2016/2017	Siyathemba	1 793 289
Expanded Public Works (EPW)	1 000 000	2016/2017	Siyathemba	1 000 000
Equitable Share	23 892 000	2016/2017	Siyathemba	23 892 000
	41 469 316			**41 469 316**

Year – 2015/16

Project name	Project value	Year Funded	Project area	Grants & Investment
Marydale Bulk Sewer Line & Rising Main(MIG 1327)	1 050 086	2015/2016	Marydale	1 050 086
Prieska Bulk Water Line (MIG 1331)	928 953	2015/2016	Prieska	928 953
Upgrading of Gravel streets (MIG 1028)	5 746 466	2015/2016	Marydale	5 746 466
Marydale Upgrading of Ext. Bulk Water Supply (MIG1273)	500 225	2015/2016	Marydale	500 225
Marydale Upgrading of Internal Reticulation System (MIG1274)	2 327 789	2015/2016	Marydale	2 327 789
Integrated National Electrification Grant (INEP)	0	2015/2016	Siyathemba	0
Municipal Systems Improvement Grant (MSIG)	930 000	2015/2016	Siyathemba	930 000
Financial Management Grant (FMG)	1 875 000	2015/2016	Siyathemba	1 875 000
Department of Water Affairs (DWA)	3 194 000	2015/2016	Siyathemba	3 194 00
Sports Arts and Culture (Library)	1 370 000	2015/2016	Siyathemba	1 370 000
Expanded Public Works (EPW)	1 000 000	2015/2016	Siyathemba	1 000 000
Public Works – Pula Nala	1 000 000	2015/2016	Siyathemba	1 000 000
Equitable Share	24 220 000	2015/2016	Siyathemba	24 220 000
	44 142 519			**44 142 519**

Year – 2014/15

Project name	Project value	Year Funded	Project area	Grants & Investment
Marydale Upgrading of Internal Reticulation System (MIG1274)	2 162 584	2014/2015	Marydale	2 162 584
Marydale Upgrading of Int. Bulk Water Supply (MIG1273)	867 370	2014/2015	Marydale	867 370
Marydale: Upgrading of Gravel streets(1028)	683 930	2014/2015	Marydale	683 930
Niekerkshoop: Upgrading of Gravel streets(1028)	3 466 614	2014/2015	Niekerkshoop	3 466 614
Prieska Solid waste (MIG 923)	162 326	2014/2015	Prieska	162 326
High Mast Lights Prieska&Marydale(MIG 1241)	1 543 032	2014/2015	Siyathemba	1 543 032
Municipal Infrastructure Grant (MIG)	9 708 000	2014/2015	Siyathemba	9 708 000
Integrated National Electrification Grant (INEP)	500 000	2014/2015	Siyathemba	500 000
Municipal Systems Improvement Grant (MSIG)	934 000	2014/2015	Siyathemba	934 000
Financial Management Grant (FMG)	1 800 000	2014/2015	Siyathemba	1 800 000
Department of Water Affairs (DWA)	1 214 820	2014/2015	Siyathemba	1 214 820
Sports Arts and Culture (Library)	891 000	2014/2015	Siyathemba	891 000
Expanded Public Works (EPW)	1 000 000	2014/2015	Siyathemba	1 000 000
Public Works – Pula Nala	0	2014/2015	Siyathemba	0
Equitable Share	22 031000	2014/2015	Siyathemba	22 031000
	46 964 676			**46 964 676**

Year – 2013/14

Project name	Project value	Year Funded	Project area	Grants & Investment
Upgrading of Solid waste	270 937	2013/2014	Marydale	270 937
Upgrading of Solid Waste	244 664	2013/2014	Prieska	244 664
Upgrading of water supply infrastructure	296 642	2013/2014	Marydale	296 642

Upgrading of Gravel streets	2 368 829	2013/2014	Siyathemba	2 368 829
Expansion of existing cemetery	0	2013/2014	Marydale	0
Waste water treatment works	2 158 884	2013/2014	Marydale	2 158 884
Prieska Development of New Cemetery	0	2013/2014	Siyathemba	0
High Mast Lights	1 330 935	2013/2014	Siyathemba	1 330 935
MIG – Sundry (Not included in above Projects)	3 292 109	2013/2014	Siyathemba	3 292 109
Integrated National Electrification Grant (INEP)	2 400 000	2013/2014	Siyathemba	2 400 000
Municipal Systems Improvement Grant (MSIG)	890 000	2013/2014	Siyathemba	890 000
Financial Management Grant (FMG)	1 650 000	2013/2014	Siyathemba	1 650 000
Department of Water Affairs (DWA)	2 648 424	2013/2014	Siyathemba	2 648 424
Sports Arts and Culture (Library)	605 500	2013/2014	Siyathemba	605 500
Expanded Public Works (EPW)	700 000	2013/2014	Siyathemba	700 000
Public Works – Pula Nala	0	2013/2014	Siyathemba	0
Equitable Share	15 133 000	2013/2014	Siyathemba	15 133 000
	33 989 924			**33 989 924**

Year – 2012/13

Project name	Project value	Year Funded	Project area	Grants & Investment
Access Roads	177 094	2012/2013	Prieska	177 094
Upgrading of Solid waste	815 436	2012/2013	Marydale	815 436
Upgrading of Solid Waste	1 527 621	2012/2013	Prieska	1 527 621
Upgrading of water supply infrastructure	261 979	2012/2013	Marydale	261 979
Upgrading of Gravel streets	3 759 163	2012/2013	Siyathemba	3 759 163
Expansion of existing cemetery	42 929	2012/2013	Marydale	42 929
High mast Lighting	1 096 404	2012/2013	Siyathemba	1 096 404
Waste water treatment works	797 914	2012/2013	Marydale	797 914
Development of New Cemetery	1 894 251	2012/2013	Prieska	1 894 251

High Mast Lights	2 106 534	2012/2013	Siyathemba	2 106 534
Integrated National Electrification Grant (INEP)	2 400 000	2012/2013	Prieska	2 400 000
Integrated National Electrification Grant (INEP)	1 200 000	2012/2013	Prieska	1 200 000
Municipal Systems Improvement Grant (MSIG)	800 000	2012/2013	Siyathemba	800 000
Financial Management Grant (FMG)	1 500 000	2012/2013	Siyathemba	1 500 000
Department of Water Affairs (DWA)	7 792 465	2012/2013	Siyathemba	7 792 465
Sports Arts and Culture (Library)	344 500	2012/2013	Siyathemba	344 500
Expanded Public Works (EPWP)	1 000 000	2012/2013	Siyathemba	1 000 000
Public Works – Pula Nala – Upgrading of Halls	2 500 000	2012/2013	Siyathemba	2 500 000
Equitable Share	20 108 000	2012/2013	Siyathemba	20 108 000
Service of 205 Sites in Prieska	6 7000 000	2012/2013	Prieska	6 700 000
Building of 203 Houses	-	2012/2013	Prieska	-
	56 824 290			**56 824 290**

Year – 2011/12

Project name	Project value	Year Funded	Project area	Grants & Investment
924:Upgrading of Solid waste	126 612	2011/2012	Marydale	126 612
923:Upgrading of Solid Waste	91 105	2011/2012	Prieska	91 105
926:Upgrading of water supply infrastructure	2 289 481	2011/2012	Marydale	2 289 481
1028:Upgrading of Gravel streets	1 773 680	2011/2012	Siyathemba	1 773 680
927:New Cemeteries Feasibility study	95 536	2011/2012	Prieska	95 536
929:Development of New Cemetery	1 623 962	2011/2012	Niekerkshoop	1 623 962
928:Expansion of existing cemetery	2 108 422	2011/2012	Marydale	2 108 422
1105:Highmast Lighting	1 641 682	2011/2012	Siyathemba	1 641 682
MIG – Sundry (Not included in above Projects)	495 520	2011/2012	Siyathemba	495 520

Project name	Project value	Year Funded	Project area	Grants & Investment
Integrated Nat. Electrification Grant (INEP)	0	2011/2012	Siyathemba	0
Mun. Systems Improvement Grant (MSIG)	790 000	2011/2012	Siyathemba	790 000
Financial Management Grant (FMG)	1 450 000	2011/2012	Siyathemba	1 450 000
Department of Water Affairs (DWA)	5 544 503	2011/2012	Siyathemba	5 544 503
Sports Arts and Culture (Library)	542 000	2011/2012	Siyathemba	542 000
Expanded Public Works (EPW)	529 000	2011/2012	Siyathemba	529 000
Transport – Roads	1 605 191	2011/2012	Siyathemba	1 605 191
Equitable Share	17 829 000	2011/2012	Siyathemba	17 829 000
	38 535 694			**38 535 694**

Year – 2010/11

Project name	Project value	Year Funded	Project area	Grants & Investment
MIG	7 026 000	2010/2011	Siyathemba	7 026 000
Municipal Systems Improvement Grant (MSIG)	750 000	2010/2011	Siyathemba	750 000
Financial Management Grant (FMG)	1 200 000	2010/2011	Siyathemba	1 200 000
Sports Arts and Culture (Library)	519 000	2010/2011	Siyathemba	519 000
Equitable Share	15 441 000	2010/2011	Siyathemba	15 441 000
	24 936 000			**24 936 000**

Year – 2009/10

Project name	Project value	Year Funded	Project area	Grants & Investment
High Mast Lights	2 245 000	2009/10	Prieska, Marydale, Niekerkshoop	2 245 000

Tar of gravel Roads	5 442 000	2009/10	Prieska	5 442 000
Sports Arts and Culture	361 000	2009/10	Siyathemba	361 000
Equitable Share	12 346 000	2009/10	Siyathemba	12 346 000
MSIG	850 000	2009/10	Siyathemba	850 000
Financial Management Grant	750 000	2009/10	Siyathemba	750 000
Tar of Roads 2	9 578 260	2009/10	Prieska, Marydale, Niekerkshoop	9 578 260
	31 572 260			**31 572 260**

Year – 2008/09

Project name	Project value	Year Funded	Project area	Grants & Investment
Sewerage Plant	1 600 000	2008/9	Prieska	1 600 000
Tar of gravel Roads	1 735 000	2008/9	Prieska	1 735 000
Sports Arts and Culture	335 000	2008/9	Siyathemba	335 000
Equitable Share	9 253 000	2008/9	Siyathemba	9 253 000
MSIG	182 500	2008/9	Siyathemba	182 500
Financial Management Grant	30 000	2008/9	Siyathemba	30 000
Housing x 40 – Thubilisha	-	2008/9	Marydale	-
	13 135 500			**13 135 500**

4.2 PROJECTS FOR SOCIAL AND LABOUR PLANS (SLP'S) AND CORPORATE SOCIAL INVEST. (CSI) INITIATIVES

Agtergrond / Background

The Siyathemba Municipality are continuously approached by Mining Operations and other Business Sectors for Social and Labour Plan (SLP) or Corporate Social Investment (Csi) Projects / Initiatives.

When companies apply for a mining right, it is required to submit a number of documents on its plans to mine, which the Department of Mineral Resources then uses to assess whether the potential mine is viable. One of these documents is a social and labour plan (or 'SLP'). Social and labour plans set out how the company intends to share some of the benefits that flow from mining. These include, for example, initiatives for developing the skills of their employees; upgrading local schools and roads; as well as providing housing, water and sanitation in the area. Once a company is awarded a mining right, the social and labour plan they submit becomes a binding legal document.

The Municipality needs to come up with and provide "Council Approved" Projects / Initiatives to ensure that holders of mining or production rights that are operating in the Siyathemba area contribute towards the socio-economic development of our areas.

As Siyathemba forms part of the "Silicon Valley Belt" (Renewable Energy, SKA, Industrial Zone, Tourism, Municipal Infrastructure, Manufacturing, Agro Processing, etc.) it is critical that we ensure that the local populace is enabled through the above outlined programmes, to acquire and develop the scientific and technical education and skills, which will enable us to fully benefit from the employment and development opportunities which these high-tech world-class projects and initiatives will bring to the area.

Training

The "Siyathemba Integrated Education and Skills Development Initiative" (SIESDi) (a Program already adopted by Council) should focus on preparing our youth and all other employment seekers with technical skills and all other skills required in the economy;

- The establishment of science clubs in local schools,
- The establishment of a family science park in the Municipality to facilitate enhanced scientific literacy among parents and youth,
- Project management of the development process for the framing of the comprehensive Siyathemba Integrated education and skills development plan, including the convening of the multi-stakeholder Steering Committee and the Skills Development Summit,
- Project management of the Municipality Skills Audit initiative and subsequent skills programmes (Learnerships),
- Facilitate the development and implementation of workplace skills plan (WSP),
- Business management and mentoring,
- Human resource and training management

- Life skills.

Schools

This initiative will add to the existing skills and training initiatives namely;

- Adult Basic Education and Training programme
- J J Dreyer primary School Prieska
- R D Williams Primary School Prieska
- Gariep High School Prieska
- Hoër Skool Prieska
- Marydale Laër Skool
- Niekerkshoop Laër Skool
- Zamomhle Crèche
- Service Providers

Socio Economic needs

Current Challenges

- Non-disclosure of bidding information by IPP Contractors
- Lack of Renewable Energy Regulations for Municipalities
- Electricity Grid Limitations
- Infrastructure backlogs
- Low Skills and Literacy levels
- Lack of proper Sports Fields
- Engineering surveys and Strategic planning capacity
- Various and Divergent Trust Structures by IPP's in our Municipal area
- Deficiencies in Green Areas
- Street Waste Bins and Yellow Equipment
- Unemployment
- Community Parks
- Limited municipal resources
- HIV/AIDS
- Crime
- TB
- Asbestoses
- Sanitation

New Economic Opportunities to be explored

- IDP Infrastructure Projects (see www.siyathemba.gov.za)
- Renewable Energy development opportunities for Smme's and Entrepreneurs
- Gateway to SKA opportunities e.g. Water and Food security
- New Mining Development opportunities
- Tigers Eye beneficiation Plant
- Secondary industry opportunities

- Aquaculture – Fish farming
- Agro processing (Value Adding of agricultural produce)
- Enterprise Development
- Tourism Development
- Eradicate former Economic (racial) Buffer Zones
- Casino near Prieska
- Infrastructure Development
- Housing Development and invention of Architectural Designing opportunities
- Water Bottling Plant Development
- Expansion of Municipal Services
- Increase Municipal revenue
- Peukenuts on a 7Ha of Land
- Cotton Gin Development
- Hydroponics Development
- Crop Farming
- Aloe-vera Development
- AGAAF Development
- Leather Tannery
- Disaster Management

4.3 PUBLIC PARTICIPATION AND GOOD GOVERNANCE

Strategic Objectives	• To ensure good governance by convening regular standing committee meetings of council and ensure MPAC functionality. • Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality
Intended Outcome	

4.3.1 GOVERNANCE STRUCTURES

The Municipality operates according to a Plenary Executive System where executive powers are exercised by a full meeting of the Municipal Council. The Mayor, Councillor H. Tsume (ANC), leads the Council comprising of 9 Councillors – 6 ANC and 3 DA Members.

The area consists of three towns, of which Prieska serves as the seat of the Municipality. Siyathemba Municipality has eight Councillors elected to the Council indirectly and on a proportional basis. The Municipal Council has a Mayor who serves as the Speaker and eight members.

Table 19: Availability and Status of Structures

Name of Committee	In place
Internal audit function	The Municipality does not have an Internal Audit Committee in place. The Pixley ka Seme District Municipality is assisting the Municipality with this function.
Audit Committee	The Municipality did establish such a Committee in 2010. It did however not function as prescribed in the MFMA. One of the members also passed away and the Committee was disestablished. The Municipality again re-advertised this position and will appoint a suitable candidate as soon as possible. The aim is to have the Committee functional in the Municipal Financial Year of 2012/13.
Oversight Committee	The Municipality has established a Municipal Public Accounts Committee as stipulated in Section 79 of the Municipal Structures Act. The guidelines, as provided by the Department of Co-Operative Governance and National Treasury were used. The Committee was only established late in the 2011/12 financial year and will therefore only be operational as from the 2012/13 financial year.
Ward Committees	There are 4 Ward Committees, one in each of the 4 Wards. The Ward Councillor is the Chairperson for the specific Ward Committee. In general, the Municipality is satisfied with the operations of the Ward Committees.
Council Committees	There are four standing Council Committees, viz. 1. IDP, LED and Infrastructure Development 2. Housing and Social Development 3. Credit Control, Debt Collection and Economic Affairs

Name of Committee	In place
	4. Performance Management, Systems, Personnel and Council Affairs The specific Councillor is the Chairperson of the various Standing Committees.
Supply Chain Committees	The Municipality has an Evaluation Committee and an Adjudication Committee in place, but currently not a Specification committee.

Other Public Participation Initiatives:

- The Municipality strives to have regular "Council meets the People and Imbizo" sessions on a quarterly basis. During these sessions, the community has the opportunity to communicate any grievances which they might have.
- The Principle Administration Officer also acts as the Communication Officer of the Municipality. This person is responsible for the compilation of a quarterly newsletter. The Newsletter indicates activities which took place in the municipal area during that specific quarter. Announcements such as meetings which take place, documents ready for public comments, etc., are also made in these Newsletters. The Newsletters are currently only available at the 3 Municipal Offices. The aim is to distribute these Newsletters also with the monthly municipal accounts.
- The Municipality developed a website. It is already operational and the Municipality maintained it on a regular basis. The address for the website is www.siyathemba.gov.za
- The Municipality will also distribute flyers to communities if specific announcements need to be communicated.
- The Municipality attends the quarterly District Mayoral Forum meetings. The Mayor of Siyathemba Municipality attends the meetings of this Forum.
- Councilor M van Wyk is co-opted by the Siyathemba Municipality Council to acts on the District Council.
- The Municipality also attends the District Intergovernmental Forum meetings. The Municipal Manager and Chief Financial Officer attend the Technical and Financial IGR meetings, whilst the Mayor of the Municipality attends the Political IGR Forum meetings.

The Library Services render an important educational service to the Siyathemba Community. The aim of the service is to take the Libraries to the people. The main aim of the Siyathemba Library Service is to render an effective and efficient service to the community of Siyathemba. The Library provides information and recreational services to adults, learners and students. This section creates a culture of reading through Educational Programmes. We are also involved with Provincial Library Services in a Library Development Programme where we address the needs of Libraries through Financial Allocation from Provincial Administration.

4.3.2 MANAGEMENT AND OPERATIONAL SYSTEMS

The availability and status of the various Management and Operational Systems are described in the paragraphs below.

4.3.2.1 Complaints Management System

The Municipality do have a formal Complaints System in place. A Policy was however compiled and the draft was tabled for Council approval. The Policy still needs to be adopted by Council and thereafter it needs to be implemented.

Currently there are mainly 2 platforms used by the communities to communicate grievances, namely:

- Complaints Register at the Municipal Office: Community members can complete this Register. The complaints are given to the Municipal Manager and he again delegates it to the specific Line Manager. There is however no formal procedure in place to provide feedback whether the compliant has been addressed or not.
- Council meets the People: These sessions take place on a Quarterly basis. The Council communicates any new developments with the community members and they again have the opportunity to list their problems, etc.

4.3.2.2 Fraud Prevention Plan

For the 2011/12 financial year, the Municipality did not have any Policy or Plan in place with regards to fraud prevention. The Evaluation and Adjudication Committee's strives to ensure that all tenders are correctly advertised, adjudicated and awarded. A Plan was however drafted late in the 2011/12 financial year and tabled at Council for approval. The Municipality aimed to implement this Plan starting from the 2012/13 financial year onwards.

4.3.2.3 Communication Strategy

The Municipality does not have such a Strategy in place. The Principle Administration Officer also acts as the Communication Officer of the Municipality. This person is responsible for the compilation of a quarterly Newsletter. The Newsletter indicates activities which took place in the municipal area during that specific quarter. Announcements such as meetings which take place, documents ready for public comments, etc. are also made in these Newsletters. The newsletters are currently only available at the 3 Municipal Offices. The aim is to also distribute these Newsletters with the monthly municipal accounts. The Communication Officer also attends a quarterly meeting at the District Municipality.

As can be seen in the above paragraphs (5.2.1, Table 20 and this paragraph), there is a number of activities within the Municipality to ensure transparency and public participation. These activities are however not documented in a formal Communication strategy which can be adopted by Council as well as implemented and monitored. There is a generic Communication and Public Participation Policy in place, but is does not guide these initiatives within Siyathemba Municipality.

4.3.2.4 Stakeholder Mobilization Strategy/Public Participation Strategy

The Municipality does not have such a Strategy in place.

4.3.2.5 Records Division

The Records Division is entrusted with the core responsibility of managing the Municipality's official records by means of achieving the records, disposing of certain of those records and the transfer of records to the Provincial Archives. In general, this division manages access to records and serves as a centre for the receipt, distribution and dispatch of correspondence to and from the public, as well as to Councillors.

4.3.3 CHALLENGES:

4.3.3.1 The municipality succeeded in developing guideline documents and/or establish committees during the 2011/12 financial years. These committees are operational. They are;

- 4.3.3.1.1 Audit committee
- 4.3.3.1.2 Oversight committee
- 4.3.3.1.3 Supply chain committees

4.3.3.2 The wards areas in the Siyathemba area are vast and therefore it is difficult for people to attend ward meetings. The idea is to co-opt a specific person who can attend these meetings and disseminate the information afterwards to a specific area.

4.3.3.3 The Municipality does not have a desk to assist with and support initiative in terms of special groups such as people living with HIV/Aids, youth, violence against women.

4.3.3.4 The Newsletter of the municipality is not yet fulfilling the role as initially anticipated. It can also be distributed much wider.

4.3.3.5 The website for the municipality is developed, but it must now be maintained to ensure that it reaches the envisaged benefits.

4.3.3.6 The library services play an important educational role in the community. Although the library can benefit from the Library development fund, there is currently not activity plan developed.

4.4 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objective	• To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality. • To improve low staff performance and the misalignment of the organisational structure with the strategic objectives through a wholesale organisational redesign process. • To improve poor performance and compromised service delivery thereby targeting low skills base within the municipality by developing and implementing a vibrant Workplace Skills Plan. • To improve the low staff morale and mistrust amongst employees by engaging in a focused employee assistance programme.
Intended Outcome	Improved organisational stability and sustainability

4.4.1 IT

The Municipality has a central server and all users can access the information on the server. There is however rights allocated to specific drivers which cannot be accessed by all users.

The Municipality is making use of an external Service Provider to do the necessary back-ups of information, as well as to do basic maintenance of the server and the computers. The Service Provider is visiting the Municipality on a regular basis to perform this function.

There is a structured plan for the purchasing of new hard and/or software. If the need arise for more computers or specific programmes, the staff member will report it to his/her Section Manager or Supervisor, from there to the Acting CFO – Mr Howard Meiring which in turn will discuss it with the Municipal Manager and he will evaluate the request. Each year there is a budget for "Furniture and Equipment" and the Municipal Manager makes use of this allocation to authorise and purchase computers and/or programmes.

There are a Nashua, Internet Services and Gestetner Stores in Prieska. These 3 suppliers are used to purchase the day-to-day consumables such as paper, cartridges, etc.

4.4.2 AVAILABILITY OF SKILLED STAFF

In general, the Northern Cape Province is struggling to attract skilled people to the Province, as well as to retain them. This Brain Drain situation is present in this Municipality as well. The recruitment and appointment process attempts to appoint local inhabitants of Siyathemba, first and foremost. However, a process exist to identify scarce skills, i.e. Electricians, Engineers, etc. and therefore recruitment happen on a wider[16] scale.

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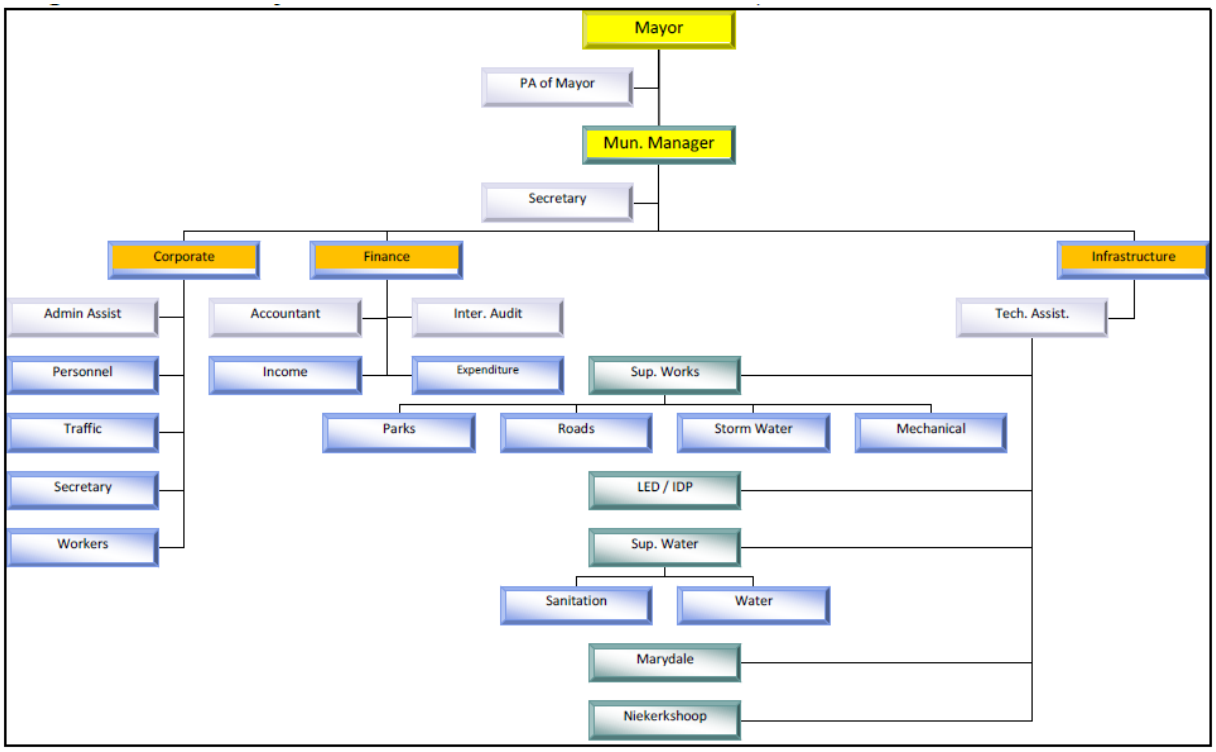
4.4.3 ORGANISATIONAL STRUCTURE

For the delivery of services, the administration of the Municipality is divided into 3 Departments:

- Corporate Services
- Finances
- Infrastructure

Figure 6: Organogram[17]



The staff component is summarized in the table below:

Table 20: Staff component

Sub Division	Total number of staff	Filled positions	Number of vacancies
Water	15	15	8
Electricity	10	10	2
Sewerage	24	22	2
Refuse	17	17	2
Parks	12	12	1
Public Works	28	28	1

17 IDP 2011/12

Library	10	10	0
Co-operate Services	13	13	4
HR Officer	0	0	0
Treasury including interns	21	21	3
PA Mayor	1	1	0
Traffic Department	7	7	1
Data Clerk	2	2	0
TOTAL	160	158	24

Since a number of positions are vacant, the Municipality makes use of several contract positions, especially in the Technical Department. These positions are indicated in the table below:

Table 21: Contract Positions

Place	Number
Niekerkshoop	0
Prieska	5
Water	0
Sanitation	0
Parks	0
Refuse	0
Electricity	1
Marydale	0

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4.4.4 PLANS AND STRATEGIES

Information with regards to related Plans and Strategies can be summarised as follows:

Plan/Strategy	Status
Skills Development Plan	The Plan is in place.
Human Resource Management Strategy	Strategy not yet developed.
Performance Management System	An external Service Provider assisted the Municipality during 2011 to develop a PMS. The Municipality must therefore start to implement the System as from the 2012/13 financial year. Currently, there are Performance Management Contracts in place. Key Performance Indicators need to be identified and linked with the SDBIP. The Municipality further aims to start implementing the Scorecard System as from the 2017/18 financial year.

4.4.5 CHALLENGES

1. The Municipality does not have an Integrated Human Resource Strategy in place to address all issues with regards to people already on the organogram of the Municipality as well as to retain employees and attract skilled people.
2. The current organogram of the municipality are structured in such a way that it promotes and accommodates all the functions of developmental government. The Council approve the revised Organogram in December 2013 and the implementation there-off is for the Senior Management's discretion. The Municipal Manager is Head of Administration.
3. The municipality developed a Performance management system, but this system is not yet rolled out in the municipality and not implemented.
4. The Municipality experiences challenges with regards to debt collection.
5. Although the Municipality does have a Skills development plan in place, the improvement of skills within the Municipality remains a challenge.
6. The Municipality does have a Functional Labour Forum in place.

4.5 FINANCIAL VIABILITY

Strategic Objective	• To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit. • To ensure the prudent management of the current asset base and expand the financial assets of the municipality through improved asset management. • To strengthen the service delivery budget by sourcing extra funds
Intended Outcome	Improved Financial Management and Accountability

Financial viability is critical for ensuring the sustainability of municipal services. In Siyathemba, the financial viability of the Municipality needs to be improved. According to the Municipality, their economic situation and cash flow are under pressure, and this is largely due to the low payment culture. Audit opinions tracked over time indicate that the Municipality is NOT improving its Audit Outcomes: From 2006/2007 to 2012/2013 Siyathemba Local Municipality received a Disclaimer and in 2013/2014 the municipality received a Qualified Audit Opinion and in 2014/2015 the municipality regressed again and received a Disclaimer of Opinion.[18]

4.5.1 FINANCIAL VIABLILITY STATEMENTS

4.5.1.1 Statement of the Financial Position at 30 June 2015

The overall operating results for the year ending 30 June 2015, as well as the comparison with the budgeted figures and the actual results of 2014 are reflected in the following Table:

4.5.1.1.1 OPERATING REVENUE FRAMEWORK

For Siyathemba Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with huge development backlogs and high levels of poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

18 Online available from http://www.agsa.co.za/AboutUs/TheAuditorGeneral.aspx

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 70% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):
(All Financial Tables is subject to submission and approval of the Budget)

Table 22 Summary of revenue classified by main revenue source

Description	Ref	Budget Year 2018/19											Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																
Governance and administration		**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**3 735**	**44 820**	**47 957**	**51 314**
Executive and council		83	83	83	83	83	83	83	83	83	83	83	83	994	1 063	1 138
Finance and administration		3 652	3 652	3 652	3 652	3 652	3 652	3 652	3 652	3 652	3 652	3 652	3 652	43 826	46 894	50 176
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4 347**	**4 387**	**3**	**3**
Community and social services		0	0	0	0	0	0	0	0	0	0	0	4 384	4 387	3	3
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		3	3	3	3	3	3	3	3	3	3	3	(38)	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**10**	**11**	**11**
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**5 419**	**17 700**	**77 309**	**82 721**	**88 511**
Energy sources		2 001	2 001	2 001	2 001	2 001	2 001	2 001	2 001	2 001	2 001	2 001	3 730	25 742	27 544	29 472
Water management		1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	4 966	23 815	25 482	27 266
Waste water management		1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	6 253	18 892	20 214	21 629
Waste management		555	555	555	555	555	555	555	555	555	555	555	2 752	8 860	9 480	10 144
Other		0	0	0	0	0	0	0	0	0	0	0	**0**	**3**	**3**	**3**
Total Revenue - Functional		**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**9 159**	**25 783**	**126 529**	**130 695**	**139 844**

Table 23 Percentage growth in revenue by main revenue source

Percentage growth for this year cannot be compared with previous years due to the mSCOA format of the new budget.

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	–	–	–	–	–	32,263	35,478	38,696
Local Government Equitable Share								29,848	32,598	35,384
Finance Management								2,415	2,880	3,312
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	2,090	1,145	1,202
Sport and Recreation								1,090	1,145	1,202
Expanded Public Works Programme Grant								1,000		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	–	–	–	–	–	–	34,353	36,623	39,898
Capital Transfers and Grants										
National Government:		–	–	–	–	–	–	10,824	13,029	13,321
Municipal Infrastructure Grant (MIG)								9,724	9,829	10,121
Intergrated National Electrification Grant								1,100	3,200	3,200
Provincial Government:		–	–	–	–	–	–	7,500	–	–
Water Services Infrastructure Grant								7,500		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	–	–	–	–	–	–	18,324	13,029	13,321
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	–	–	–	–	52,677	49,652	53,219

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than half of the total revenue mix. In the 2015/16 financial year, revenue from rates and services charges will total R41.3million. This increases to R43.3 million, R48.3million in the respective financial years of the

MTREF. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 44 MBRR SA1 (see page 93).

Refuse is the smallest revenue source from services totalling R1.2million rand and increases to R1.5 million by 2016/17. The smallest source is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R31million in the 2016/17 financial year and steadily increases to R34.1 million by 2018/19.

Table 24 Operating Transfers and Grant Receipts

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		721	748	–	777	–	–	1 857	1 949	2 045
Vote 2 - BUDGET & TREASURY OFFICE		19 658	23 445	79 700	25 673	42 754	42 754	28 405	28 850	31 429
Vote 3 - CORPORATE SERVICES		2 754	2 927	–	3 351	–	–	18 113	5 521	23 506
Vote 4 - TECHNICAL & ENGINEERING SERVICES		54 576	56 011	–	53 015	52 554	52 554	71 326	60 293	66 628
Total Revenue by Vote	2	**77 709**	**83 131**	**79 700**	**82 815**	**95 308**	**95 308**	**119 700**	**96 613**	**123 608**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - EXECUTIVE AND COUNCIL		12 066	13 926	–	10 523	8 027	8 027	11 445	11 799	12 340
Vote 2 - BUDGET & TREASURY OFFICE		29 934	28 045	86 998	25 500	23 717	23 717	27 745	29 376	31 999
Vote 3 - CORPORATE SERVICES		6 636	7 212	–	7 622	7 140	7 140	6 275	6 714	7 184
Vote 4 - TECHNICAL & ENGINEERING SERVICES		33 771	41 272	–	47 645	44 478	44 478	56 869	60 348	65 646
Total Expenditure by Vote	2	**82 406**	**90 456**	**86 998**	**91 290**	**83 363**	**83 363**	**102 334**	**108 236**	**117 169**
Surplus/(Deficit) for the year	2	**(4 697)**	**(7 325)**	**(7 298)**	**(8 475)**	**11 946**	**11 946**	**17 366**	**(11 623)**	**6 439**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

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with the tariff policies of the Municipality. Details in this regard are contained in Table 44 MBRR SA1 (see page 93).

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Operating grants and transfers totals R31million in the 2016/17 financial year and steadily increases to R34.1 million by 2018/19.

4.5.2 PROPERTY RATES

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 91 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 02:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- 55 percent rebate will be granted on all state owned properties
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
    - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
    - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
    - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
    - The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

Table 25 Comparison of proposed rates to be levied for the 2017/18 financial year

Category	Current Tariff (1 July 2017)	Proposed tariff (from 1 July 2018)
	C	C
Residential properties	0.02592858252	0.02213976061
State owned properties	0.04521330539	0.02913170982
Business & Commercial	0.03371106661	0.02172061967
Agricultural	0.000621	0.00063

4.5.3 SALE OF WATER AND IMPACT OF TARIFF INCREASES

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2015.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 6 per cent from 1 July 2018 for water is proposed. This is based on input cost of inputs increasing by 6 per cent.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 26 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2017/18	PROPOSED TARIFFS 2018/19
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ	6,20	5,85
(ii) 7 to 12 kℓ	6,89	6,50
(iii) 13 to 50 kℓ	7,69	7,25
(iv) 51 to 150 kℓ	8,90	8,40
(iv) +150 kℓ	10,65	10,05

4.5.4 SALE OF ELECTRICITY AND IMPACT OF TARIFF INCREASES

NERSA has announced the revised bulk electricity pricing structure. An seven per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2018.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

4.5.5 SANITATION AND IMPACT OF TARIFF INCREASES

A tariff increase of 6 per cent for sanitation from 1 July 2018 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the type of consumer and the level of service provided as indicated in the table below;
- Free sanitation will be applicable to registered indigents; and
  The total revenue expected to be generated from rendering this service amounts to R4.377 million for the 2018/19 financial year.

The following table compares the current and proposed tariffs:

Table 27 Comparison between current sanitation charges and increases

DESCRIPTION	2018/2019 VAT INCLUSIVE	2018/2019 Tariff	% increase g	2017/2018 VAT INCLUSIVE	2017/2018 Tariff
Sewerage Tariff					
Site Improvement (Households)	R273,40	R237,76	6%	R255,70	R224,30
Church,church halls,Sport and welfare	R182,30	R158,58	6%	R170,54	R149,60
Business	R430,40	R374,34	6%	R402,59	R353,15
Business -Extra toilet	R128,60	R111,83	6%	R120,27	R105,50
Unimproved government sites	R1 449,20	R1 260,18	6%	R1 355,29	R1 188,85
Contractors	R904,80	R786,84	6%	R846,22	R742,30

4.5.6 WASTE REMOVAL AND IMPACT OF TARIFF INCREASES

Currently solid waste removal is operating at a small surplus. The main contributors to expenditure are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2018. Higher increases will not be viable in 2018/19 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2018:

Table 28 Comparison between current waste removal fees and increases

DESCRIPTION	2018/2019 VAT INCLUSIVE	2018/2019 Tariff	% increase	2017/2018 VAT INCLUSIVE	2017/2018 Tariff
Refuse					
Per standard Container per month					
Prieska	R94,60	R82,31	6%	R88,52	R77,65
Marydale	R94,60	R82,31	6%	R88,52	R77,65

Niekerkshoop	R94,60	R82,31	6%	R88,52	R77,65

4.5.7 OVERALL IMPACT OF TARIFF INCREASES ON HOUSEHOLDS

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to a maximum percentage of 6%.

4.6 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure:

Table 29 Summary of operating revenue and expenditure by standard classification item

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	**7,960**	9,195	11,777	18,007	18,097	–	–	19,209	20,554	21,992
Service charges	27,410	30,463	43,523	63,637	36,509	–	–	37,581	40,278	43,097
Investment revenue	104	1,491	1,799	50	5	–	–	4	4	5
Transfers recognised - operational	25,976	28,211	29,537	35,006	38,076	–	–	34,353	35,478	38,696
Other own revenue	5,197	2,660	2,356	20,187	9,686	–	–	17,058	21,843	28,221
Total Revenue (excluding capital transfers and contributions)	66,647	72,020	88,992	136,887	102,373	–	–	108,205	118,157	132,011
Employee costs	31,696	35,591	38,242	50,269	39,636	–	–	44,163	47,255	50,562
Remuneration of councillors	2,457	3,170	2,835	3,631	3,836	–	–	3,112	3,330	3,563
Depreciation & asset impairment	16,052	25,037	39,220	14,685	16,084	–	–	15,584	16,675	17,842
Finance charges	503	1,590	2,784	–	–	–	–	1,442	1,543	1,651
Materials and bulk purchases	14,623	25,395	22,201	21,414	21,414	–	–	20,075	21,480	22,984
Transfers and grants	56	–	10,617	–	–	–	–	1,687	1,805	1,932
Other expenditure	21,612	21,862	27,606	24,464	28,697	–	–	22,520	24,097	25,784
Total Expenditure	86,998	112,645	143,505	114,463	109,667	–	–	108,584	116,184	124,317
Surplus/(Deficit)	(20,351)	(40,625)	(54,513)	22,425	(7,294)	–	–	(378)	1,972	7,693
Transfers and subsidies - capital (monetary alloc	13,053	15,855	14,267	10,225	20,346	–	–	18,324	13,029	13,321
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(7,298)	(24,770)	(40,246)	32,650	13,052	–	–	17,946	15,001	21,014
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(7,298)	(24,770)	(40,246)	32,650	13,052	–	–	17,946	15,001	21,014
Capital expenditure & funds sources										
Capital expenditure	**12,800**	2,411	6,283	9,300	10,121	–	–	18,324	13,029	13,321
Transfers recognised - capital	**12,729**	2,016	6,283	9,300	10,121	–	–	18,324	13,029	13,321
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**–**	–	–	–	–	–	–	–	–	–
Internally generated funds	**70**	396	–	–	–	–	–	–	–	–
Total sources of capital funds	**12,800**	2,411	6,283	9,300	10,121	–	–	18,324	13,029	13,321
Financial position										
Total current assets	**13,946**	19,264	11,596	19,609	43,059	–	–	11,157	15,746	27,653
Total non current assets	**468,439**	446,623	576,484	433,320	433,320	–	–	426,268	437,287	448,383
Total current liabilities	**34,524**	54,636	62,527	43,712	40,353	–	–	37,549	33,794	30,414
Total non current liabilities	**18,405**	17,165	19,809	20,744	20,744	–	–	21,172	21,772	22,523
Community wealth/Equity	**429,457**	394,085	505,743	388,473	415,282	–	–	378,704	397,468	423,099
Cash flows										
Net cash from (used) operating	**16,925**	15,150	(859)	9,447	20,155	–	–	19,920	19,237	26,072
Net cash from (used) investing	**(12,795)**	(11,371)	(4,416)	(9,920)	(20,041)	–	–	(17,577)	(12,282)	(12,574)
Net cash from (used) financing	**(616)**	(341)	(1,886)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**2,910**	6,348	(2,316)	(473)	114	–	–	2,344	9,299	22,797
Cash backing/surplus reconciliation										
Cash and investments available	**2,910**	6,348	(2,316)	1,252	1,252	–	–	2,344	9,299	22,797
Application of cash and investments	**24,317**	41,043	48,503	33,419	(33,106)	41,721	–	30,115	28,394	26,333
Balance - surplus (shortfall)	**(21,407)**	(34,695)	(50,818)	(32,166)	34,358	(41,721)	–	(27,771)	(19,094)	(3,536)
Asset management										
Asset register summary (WDV)	**467,191**	465,342	516,819	–	–	–		450,153	461,043	472,023
Depreciation	**16,052**	25,037	39,220	–	–	–		–	–	–
Renewal of Existing Assets	**–**	–	–	–	–	–		–	–	–
Repairs and Maintenance	**–**	–	3,015	–	–	–		–	–	–
Free services										
Cost of Free Basic Services provided	**–**	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	**–**	–	–	(11,697)	11,416	–	12,281	12,281	13,108	14,025
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

The fact that a settlement has not been reached by the SALGBC parties in the salary dispute resulted in an uncertainty on this area of expenditure. It should be noted that the total financial implication

could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWAF. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited indicating that significant cost savings have been already realised.

4.6.1 PRIORITY GIVEN TO REPAIRS AND MAINTENANCE

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provide for extensive growth in the area of asset repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational

During the compilation of the 2018/19 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 30 Repairs and maintenance per asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	–	–	**3 015**	–	–	–	–	–	–
Roads Infrastructure	–	–	3 015	–	–	–	–	–	–
Roads		–	3 015						
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	–	–	–	–	–	–	–	–	–
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Water Supply Infrastructure	–	–	–	–	–	–	–	–	–
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	–	–	–	–	–	–	–	–	–
Pump Station									
Reticulation									
Waste Water Treatment Works									
Outfall Sewers									
Toilet Facilities									
Capital Spares									

Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets	–	–	–	–	–	–	–	–	–
Community Facilities	–	–	–	–	–	–	–	–	–
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									

Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities									
Outdoor Facilities									
Capital Spares	1	1	1	1	1	1	1	1	1
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Other assets	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	–	–	–
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	–	–	–	–	–	–	–	–	–
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets									

Intangible Assets	–	–	–	–	–	–	–	–	–
Servitudes									
Licences and Rights	–	–	–	–	–	–	–	–	–
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
Computer Equipment	–	–	–	–	–	–	–	–	–
Computer Equipment									
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment									
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment									
Transport Assets	–	–	–	–	–	–	–	–	–
Transport Assets									
Libraries	–	–	–	–	–	–	–	–	–
Libraries									
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals									
Total Repairs and Maintenance Expenditure	–	–	**3 015**	–	–	–	–	–	–

4.6.2 FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 2800 or more indigent households during the 2018/19 financial year, a process reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

4.7 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:
The following table provides a breakdown of budgeted capital expenditure by vote:

Table 31 2017/18 Medium-term capital budget per vote

Description	Medium Term Revenue and Expenditure Framework		
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional			
Governance and administration	**–**	**–**	**–**
Executive and council	–	–	–
Finance and administration	–	–	–
Internal audit	–	–	–
Community and public safety	**–**	**–**	**–**
Community and social services	–	–	–
Sport and recreation	–	–	–
Public safety	–	–	–
Housing	–	–	–
Health	–	–	–
Economic and environmental services	**9 724**	**9 829**	**10 121**
Planning and development	–	–	–
Road transport	9 724	9 829	10 121
Environmental protection	–	–	–
Trading services	**8 600**	**3 200**	**3 200**
Energy sources	1 100	3 200	3 200
Water management	7 500	–	–
Waste water management	–	–	–
Waste management	–	–	–
Other	**–**	**–**	**–**
Total Capital Expenditure - Functional	**18 324**	**13 029**	**13 321**
Funded by:			
National Government	**10 824**	**13 029**	**13 321**
Provincial Government	7 500	–	–
District Municipality	–	–	–
Other transfers and grants	–	–	–
Transfers recognised - capital	**18 324**	**13 029**	**13 321**
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	–	–	–
Total Capital Funding	18 324	13 029	13 321

For 2018/19 an amount of R18,324 million has been appropriated for the development of infrastructure which represents 100 per cent of the total capital budget. In the outer years this amount totals R 13,029 million, 100 per cent and R 13,321 million, 100 per cent respectively for each of the financial years.

Total new assets represent 100 per cent or R18,324 million of the total capital budget. Further detail relating to asset classes and proposed capital expenditure is contained in

Table 26 MBRR A9 (Asset Management) on page 36. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

4.8 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

Table 32 below - MBRR Table A1 - Budget Summary

Description	2014/15		2015/16		2016/17		Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework	
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	**7 960**	9 195	11 777	18 007	18 097	–	–	19 209	20 554	21 992
Service charges	27 410	30 463	43 523	63 637	36 509	–	–	37 581	40 278	43 097
Investment revenue	104	1 491	1 799	50	5	–	–	4	4	5
Transfers recognised - operational	25 976	28 211	29 537	35 006	38 076	–	–	34 353	35 478	38 696
Other own revenue	5 197	2 660	2 356	20 187	9 686	–	–	17 058	21 843	28 221
Total Revenue (excluding capital transfers and contributions)	66 647	72 020	88 992	136 887	102 373	–	–	108 205	118 157	132 011
Employee costs	31 696	35 591	38 242	50 269	39 636	–	–	44 163	47 255	50 562
Remuneration of councillors	2 457	3 170	2 835	3 631	3 836	–	–	3 112	3 330	3 563
Depreciation & asset impairment	16 052	25 037	39 220	14 685	16 084	–	–	15 584	16 675	17 842
Finance charges	503	1 590	2 784	–	–	–	–	1 442	1 543	1 651
Materials and bulk purchases	14 623	25 395	22 201	21 414	21 414	–	–	20 075	21 480	22 984
Transfers and grants	56	–	10 617	–	–	–	–	1 687	1 805	1 932
Other expenditure	21 612	21 862	27 606	24 464	28 697	–	–	22 520	24 097	25 784
Total Expenditure	86 998	112 645	143 505	114 463	109 667	–	–	108 584	116 184	124 317
Surplus/(Deficit)	(20 351)	(40 625)	(54 513)	22 425	(7 294)	–	–	(378)	1 972	7 693
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	13 053	15 855	14 267	10 225	20 346	–	–	18 324	13 029	13 321
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(7 298)	(24 770)	(40 246)	32 650	13 052	–	–	17 946	15 001	21 014
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(7 298)	(24 770)	(40 246)	32 650	13 052	–	–	17 946	15 001	21 014
Capital expenditure & funds sources										

Capital expenditure	**12 800**	2 411	6 283	9 300	10 121	–	–	18 324	13 029	13 321
Transfers recognised - capital	**12 729**	2 016	6 283	9 300	10 121	–	–	18 324	13 029	13 321
Public contributions & donations		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds	**70**	396	–	–	–	–	–	–	–	–
Total sources of capital funds	**12 800**	2 411	6 283	9 300	10 121	–	–	18 324	13 029	13 321
Financial position										
Total current assets	**13 946**	19 264	11 596	19 609	43 059	–	–	11 157	15 746	27 653
Total non current assets	**468 439**	446 623	576 484	433 320	433 320	–	–	426 268	437 287	448 383
Total current liabilities	**34 524**	54 636	62 527	43 712	40 353	–	–	37 549	33 794	30 414
Total non current liabilities	**18 405**	17 165	19 809	20 744	20 744	–	–	21 172	21 772	22 523
Community wealth/Equity	**429 457**	394 085	505 743	388 473	415 282	–	–	378 704	397 468	423 099
Cash flows										
Net cash from (used) operating	**16 925**	15 150	(859)	9 447	20 155	–	–	19 920	19 237	26 072
Net cash from (used) investing	**(12 795)**	(11 371)	(4 416)	(9 920)	(20 041)	–	–	(17 577)	(12 282)	(12 574)
Net cash from (used) financing	**(616)**	(341)	(1 886)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**2 910**	6 348	(2 316)	(473)	114	–	–	2 344	9 299	22 797
Cash backing/surplus reconciliation										
Cash and investments available	**2 910**	6 348	(2 316)	1 252	1 252	–	–	2 344	9 299	22 797
Application of cash and investments	**24 317**	41 043	48 503	33 419	(33 106)	41 721	–	30 115	28 394	26 333
Balance - surplus (shortfall)	**(21 407)**	(34 695)	(50 818)	(32 166)	34 358	(41 721)	–	(27 771)	(19 094)	(3 536)
Asset management										
Asset register summary (WDV)	**467 191**	465 342	516 819	–	–	–		450 153	461 043	472 023
Depreciation	**16 052**	25 037	39 220	–	–	–		–	–	–
Renewal of Existing Assets		–	–	–	–	–		–	–	–
Repairs and Maintenance		–	3 015	–	–	–		–	–	–
Free services										
Cost of Free Basic Services provided		–	–	–	–	–	–	–	–	–
Revenue cost of free services provided		–	–	(11 697)	11 416	–	12 281	12 281	13 108	14 025
Households below minimum service level										
Water:		–	–	–	–	–	–	–	–	–
Sanitation/sewerage:		–	–	–	–	–	–	–	–	–
Energy:		–	–	–	–	–	–	–	–	–
Refuse:		–	–	–	–	–	–	–	–	–

Table 33 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Municipal governance and administration		–	–	–	–	–	–	**44 820**	**47 957**	**51 314**
Executive and council		–	–	–	–	–	–	994	1 063	1 138
Mayor and Council								994	1 063	1 138
Municipal Manager, Town Secretary and Chief Executive										
Finance and administration		–	–	–	–	–	–	43 826	46 894	50 176
Administrative and Corporate Support								26	28	30
Asset Management										
Budget and Treasury Office								43 018	46 029	49 251
Finance										
Fleet Management										
Human Resources										
Information Technology										
Legal Services										
Marketing, Customer Relations, Publicity and Media Co-ordination										
Property Services								782	837	895
Risk Management										
Security Services										
Supply Chain Management										
Valuation Service										
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function										
Community and public safety		–	–	–	–	–	–	**4 387**	**3**	**3**
Community and social services		–	–	–	–	–	–	**4 387**	**3**	**3**
Aged Care										
Agricultural								3 294		
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums								3	3	3
Child Care Facilities										
Community Halls and Facilities										
Consumer Protection										
Cultural Matters										
Disaster Management										
Education										
Indigenous and Customary Law										
Industrial Promotion										
Language Policy										
Libraries and Archives										
Literacy Programmes								1 090		
Media Services										
Museums and Art Galleries										

Population Development										
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation		–	–	–	–	–	–	–	–	–
Beaches and Jetties										
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)										
Recreational Facilities										
Sports Grounds and Stadiums										
Public safety		–	–	–	–	–	–	–	–	–
Civil Defence										
Cleansing										
Control of Public Nuisances										
Fencing and Fences										
Fire Fighting and Protection										
Licensing and Control of Animals										
Housing		–	–	–	–	–	–	–	–	–
Housing										
Informal Settlements										
Health		–	–	–	–	–	–	–	–	–
Ambulance										
Health Services										
Laboratory Services										
Food Control										
Health Surveillance and Prevention of Communicable Diseases including immunizations										
Vector Control										
Chemical Safety										
Economic and environmental services		–	–	–	–	–	–	**10**	**11**	**11**
Planning and development		–	–	–	–	–	–	–	–	–
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)										
Central City Improvement District										
Development Facilitation										
Economic Development/Planning										
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City Engineer										
Project Management Unit										
Provincial Planning										
Support to Local Municipalities										
Road transport		–	–	–	–	–	–	**10**	**11**	**11**
Police Forces, Traffic and Street Parking Control										
Pounds										
Public Transport										
Road and Traffic Regulation										
Roads								10	11	11
Taxi Ranks										
Environmental protection		–	–	–	–	–	–	–	–	–
Biodiversity and Landscape										
Coastal Protection										

Indigenous Forests										
Nature Conservation										
Pollution Control										
Soil Conservation										
Trading services		–	–	–	–	–	–	**77 309**	**82 721**	**88 511**
Energy sources		–	–	–	–	–	–	**25 742**	**27 544**	**29 472**
Electricity								25 742	27 544	29 472
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		–	–	–	–	–	–	**23 815**	**25 482**	**27 266**
Water Treatment										
Water Distribution								23 815	25 482	27 266
Water Storage										
Waste water management		–	–	–	–	–	–	**18 892**	**20 214**	**21 629**
Public Toilets										
Sewerage								18 892	20 214	21 629
Storm Water Management										
Waste Water Treatment										
Waste management		–	–	–	–	–	–	**8 860**	**9 480**	**10 144**
Recycling										
Solid Waste Disposal (Landfill Sites)										
Solid Waste Removal								8 860	9 480	10 144
Street Cleaning										
Other		–	–	–	–	–	–	**3**	**3**	**3**

Table 34 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	994	1 064	1 138
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Directorate Financial Services		–	–	–	–	–	–	43 018	46 029	49 251
Vote 4 - Directorate Corporate & Community Services		–	–	–	–	–	–	5 198	915	979
Vote 5 - Directorate Infrastructure Services		–	–	–	–	–	–	77 319	82 732	88 523
Vote 6 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
Vote 7 - ELECTRICITY DISTIBUTION		–	–	–	–	–	–	–	–	–
Vote 8 - WATER SERVICES		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–

Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	–	–	–	–	–	–	**126 529**	**130 739**	**139 891**	
Expenditure by Vote *to be appropriated*	1										
Vote 1 - Executive and Council		–	–	–	–	–	–	25 185	26 948	28 834	
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	
Vote 3 - Directorate Financial Services		–	–	–	–	–	–	19 155	20 496	21 930	
Vote 4 - Directorate Corporate & Community Services		–	–	–	–	–	–	14 566	15 586	16 677	
Vote 5 - Directorate Infrastructure Services		–	–	–	–	–	–	49 178	52 620	56 304	
Vote 6 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	
Vote 7 - ELECTRICITY DISTIBUTION		–	–	–	–	–	–	–	–	–	
Vote 8 - WATER SERVICES		–	–	–	–	–	–	–	–	–	
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	
Total Expenditure by Vote	2	–	–	–	–	–	–	**108 084**	**115 650**	**123 745**	
Surplus/(Deficit) for the year	2	–	–	–	–	–	–	**18 445**	**15 090**	**16 146**	

Table 35 Surplus/ (Deficit) calculations for the trading services

Table 36 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	7 960	9 195	11 777	18 007	18 097	–	–	19 209	20 554	21 992
Service charges - electricity revenue	2	13 768	6 875	18 014	21 900	16 948	–	–	18 053	19 317	20 669
Service charges - water revenue	2	9 171	12 769	13 777	18 637	11 143	–	–	13 335	14 268	15 267
Service charges - sanitation revenue	2	3 226	7 707	8 333	14 466	4 111	–	–	4 377	4 683	5 011
Service charges - refuse revenue	2	1 245	3 112	3 400	5 931	1 584	–	–	1 817	2 010	2 150
Service charges - other					2 703	2 724			–	–	–
Rental of facilities and equipment		782	866	765	18 462	7 812			12 826	17 315	23 375
Interest earned - external investments		104	1 491	1 799	50	5			4	4	5
Interest earned - outstanding debtors		1 207	–		1 301	1 458			1 596	1 708	1 827
Dividends received		–	–			–			–	–	–
Fines, penalties and forfeits		34	94	14	11	5			13	14	15

Licences and permits		0	0	703	1	0			1 127	1 206	1 291
Agency services		1 085	1 181	431	412	412			–	–	–
Transfers and subsidies		25 976	28 211	29 537	35 006	38 076			34 353	35 478	38 696
Other revenue	2	2 089	519	442	–	–	–	–	1 496	1 600	1 712
Gains on disposal of PPE						–					
Total Revenue (excluding capital transfers and contributions)		**66 647**	**72 020**	**88 992**	**136 887**	**102 373**	**–**	**–**	**108 205**	**118 157**	**132 011**
Expenditure By Type											
Employee related costs	2	31 696	35 591	38 242	50 269	39 636	–	–	44 163	47 255	50 562
Remuneration of councillors		2 457	3 170	2 835	3 631	3 836			3 112	3 330	3 563
Debt impairment	3	6 544	8 929	10 822	4 387	4 387			7	8	8
Depreciation & asset impairment	2	16 052	25 037	39 220	14 685	16 084	–	–	15 584	16 675	17 842
Finance charges		503	1 590	2 784	–	–			1 442	1 543	1 651
Bulk purchases	2	14 623	22 564	19 186	21 414	21 414	–	–	20 075	21 480	22 984
Other materials	8	–	2 830	3 015	–	–					
Contracted services		3 146	4 001	4 853	6 171	9 966	–	–	14 107	15 094	16 151
Transfers and subsidies		56	–	10 617	–	–	–	–	1 687	1 805	1 932
Other expenditure	4, 5	11 921	8 932	11 931	13 906	14 344	–	–	8 406	8 995	9 625
Loss on disposal of PPE		–	–		–	–					
Total Expenditure		**86 998**	**112 645**	**143 505**	**114 463**	**109 667**	**–**	**–**	**108 584**	**116 184**	**124 317**
Surplus/(Deficit)		**(20 351)**	**(40 625)**	**(54 513)**	**22 425**	**(7 294)**	**–**	**–**	**(378)**	**1 972**	**7 693**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		13 053	15 855	14 267	10 225	20 346			18 324	13 029	13 321
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**(7 298)**	**(24 770)**	**(40 246)**	**32 650**	**13 052**	**–**	**–**	**17 946**	**15 001**	**21 014**
Taxation											
Surplus/(Deficit) after taxation		**(7 298)**	**(24 770)**	**(40 246)**	**32 650**	**13 052**	**–**	**–**	**17 946**	**15 001**	**21 014**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**(7 298)**	**(24 770)**	**(40 246)**	**32 650**	**13 052**	**–**	**–**	**17 946**	**15 001**	**21 014**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**(7 298)**	**(24 770)**	**(40 246)**	**32 650**	**13 052**	**–**	**–**	**17 946**	**15 001**	**21 014**

Table 37 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Directorate Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Directorate Corporate & Community Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate Infrastructure Services		–	–	–	9 300	–	–	–	18 324	13 029	13 321
Vote 6 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 7 - ELECTRICITY DISTIBUTION		–	–	–	–	2 500	–	–	–	–	–
Vote 8 - WATER SERVICES		–	–	–	–	7 621	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	**9 300**	**10 121**	–	–	**18 324**	**13 029**	**13 321**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		70	396	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Directorate Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Directorate Corporate & Community Services		4 825	–	6 283	–	–	–	–	–	–	–
Vote 5 - Directorate Infrastructure Services		7 905	2 016	–	–	–	–	–	–	–	–
Vote 6 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 7 - ELECTRICITY DISTIBUTION		–	–	–	–	–	–	–	–	–	–
Vote 8 - WATER SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–

Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**12 800**	**2 411**	**6 283**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Vote		**12 800**	**2 411**	**6 283**	**9 300**	**10 121**	**–**	**–**	**18 324**	**13 029**	**13 321**
Capital Expenditure - Functional											
Governance and administration		**70**	**396**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Executive and council		70	396								
Finance and administration											
Internal audit											
Community and public safety		–	–	–	–	–	–	–	–	–	–
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		**4 234**	**– 283**	**6**	**–**	**–**	**–**	**–**	**9 724**	**9 829**	**10 121**
Planning and development											
Road transport		4 234	– 283	6					9 724	9 829	10 121
Environmental protection											
Trading services		**8 495**	**2 016**	**–**	**9 300**	**10 121**	**–**	**–**	**8 600**	**3 200**	**3 200**
Energy sources		590	–			2 500			1 100	3 200	3 200
Water management		4 268	–			7 621			7 500		
Waste water management		3 637	2 016		9 300						
Waste management											
Other											
Total Capital Expenditure - Functional	3	**12 800**	**2 411**	**6 283**	**9 300**	**10 121**	**–**	**–**	**18 324**	**13 029**	**13 321**
Funded by:											
National Government		12 729	2 016	6 283	9 300	10 121			10 824	13 029	13 321
Provincial Government									7 500		
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	**12 729**	**2 016**	**6 283**	**9 300**	**10 121**	**–**	**–**	**18 324**	**13 029**	**13 321**
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		70	396								
Total Capital Funding	7	**12 800**	**2 411**	**6 283**	**9 300**	**10 121**	**–**	**–**	**18 324**	**13 029**	**13 321**

Table 38 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		2 910	6 348	3	1 252	1 252			2 344	9 299	22 797
Call investment deposits	1	–	–	–	–	–		–	–	–	–
Consumer debtors	1	5 890	8 829	10 247	10 463	33 912		–	6 801	5 441	4 352
Other debtors		4 568	722	817	4 025	4 025			2 013	1 006	503
Current portion of long-term receivables		2	–		–	–					
Inventory	2	575	3 364	530	3 870	3 870					
Total current assets		**13 946**	**19 264**	**11 596**	**19 609**	**43 059**	–	–	**11 157**	**15 746**	**27 653**
Non current assets											
Long-term receivables		21	–		35	35			–	–	–
Investments		–	–		–	–					
Investment property		25 584	22 598	57 004	22 598	22 598			–	–	–
Investment in Associate		–	–		–	–					
Property, plant and equipment	3	438 973	421 350	516 819	409 257	409 257		–	426 268	437 287	448 383
Agricultural		1 226	–			–					
Biological		–	–			–					
Intangible		1 408	1 430	1 421	1 430	1 430			–	–	–
Other non-current assets		1 226	1 244	1 240		–					
Total non current assets		**468 439**	**446 623**	**576 484**	**433 320**	**433 320**	–	–	**426 268**	**437 287**	**448 383**
TOTAL ASSETS		**482 385**	**465 886**	**588 080**	**452 929**	**476 379**	–	–	**437 425**	**453 033**	**476 036**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	2 319		–					
Borrowing	4	421	356	–	305	305		–	–	–	–
Consumer deposits		647	712	723	805	805					
Trade and other payables	4	32 698	52 836	58 755	41 721	38 361		–	37 549	33 794	30 414
Provisions		757	731	731	882	882					
Total current liabilities		**34 524**	**54 636**	**62 527**	**43 712**	**40 353**	–	–	**37 549**	**33 794**	**30 414**
Non current liabilities											
Borrowing		1 091	735	2 628	2 800	2 800		–	2 240	1 792	1 434
Provisions		17 314	16 431	17 181	17 943	17 943		–	18 932	19 979	21 089
Total non current liabilities		**18 405**	**17 165**	**19 809**	**20 744**	**20 744**	–	–	**21 172**	**21 772**	**22 523**
TOTAL LIABILITIES		**52 928**	**71 801**	**82 336**	**64 456**	**61 096**	–	–	**58 721**	**55 565**	**52 937**
NET ASSETS	5	**429 457**	**394 085**	**505 743**	**388 473**	**415 282**	–	–	**378 704**	**397 468**	**423 099**

COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		429 457	394 085	505 743	388 473	415 282			378 704	397 468	423 099
Reserves	4	–	–	–	–	–	–	–	–	–	–
						–					
TOTAL COMMUNITY WEALTH/EQUITY	5	**429 457**	**394 085**	**505 743**	**388 473**	**415 282**	**–**	**–**	**378 704**	**397 468**	**423 099**

Table 39 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		6 642	52 252	44 571	8 985	12 668			15 367	16 136	17 104
Service charges		21 267	–		37 481	31 641			32 955	34 603	36 679
Other revenue		4 535	–		11 744	11 744			13 966	18 512	24 645
Government - operating	1	25 975	39 516		32 350	32 350			33 363	35 578	38 696
Government - capital	1	12 689	–	28 756	9 920	20 041			18 324	13 029	13 321
Interest		104	1 228	1 799	907	907			–	–	–
Dividends						–			–	–	–
Payments											
Suppliers and employees		(53 727)	(76 584)	(39 831)	(91 940)	(89 196)			(92 613)	(97 106)	(102 768)
Finance charges		(503)	(1 261)	(33 635)					(1 442)	(1 514)	(1 605)
Transfers and Grants	1	(56)	–	(2 519)					–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**16 925**	**15 150**	**(859)**	**9 447**	**20 155**	**–**	**–**	**19 920**	**19 237**	**26 072**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				364					–	–	–
Decrease (Increase) in non-current debtors		5	–						747	747	747
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(12 800)	(11 371)	(4 780)	(9 920)	(20 041)			(18 324)	(13 029)	(13 321)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(12 795)**	**(11 371)**	**(4 416)**	**(9 920)**	**(20 041)**	**–**	**–**	**(17 577)**	**(12 282)**	**(12 574)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–

Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		(45)	109						–	–	–
Payments											
Repayment of borrowing		(570)	(450)	(1 886)					–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(616)**	**(341)**	**(1 886)**	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		**3 514**	**3 438**	**(7 161)**	**(473)**	**114**	–	–	**2 344**	**6 956**	**13 498**
Cash/cash equivalents at the year begin:	2	**(604)**	**2 910**	**4 845**					–	**2 344**	**9 299**
Cash/cash equivalents at the year end:	2	**2 910**	**6 348**	**(2 316)**	**(473)**	**114**	–	–	**2 344**	**9 299**	**22 797**

Table 40 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	2 910	6 348	(2 316)	(473)	114	–	–	2 344	9 299	22 797
Other current investments > 90 days		0	(0)	0	1 725	1 138	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**2 910**	**6 348**	**(2 316)**	**1 252**	**1 252**	–	–	**2 344**	**9 299**	**22 797**
Application of cash and investments											
Unspent conditional transfers		–	–	169	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	24 317	41 043	48 334	33 419	(33 106)	41 721	–	30 115	28 394	26 333
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**24 317**	**41 043**	**48 503**	**33 419**	**(33 106)**	**41 721**	–	**30 115**	**28 394**	**26 333**
Surplus(shortfall)		**(21 407)**	**(34 695)**	**(50 818)**	**(32 166)**	**34 358**	**(41 721)**	–	**(27 771)**	**(19 094)**	**(3 536)**

Table 41 MBRR Table A9 - Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	**12 800**	**2 411**	**6 283**	**128 230**	**–**	**–**	**18 324**	**13 029**	**13 321**
Roads Infrastructure		4 234	–	6 283	41 730	–	–	9 724	9 829	10 121
Storm water Infrastructure		–	–	–	734	–	–	–	–	–
Electrical Infrastructure		590	–	–	15 822	–	–	1 100	3 200	3 200
Water Supply Infrastructure		4 268	–	–	27 159	–	–	7 500	–	–
Sanitation Infrastructure		3 637	2 016	–	23 500	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	193	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***12 729***	***2 016***	***6 283***	***109 138***	**–**	**–**	***18 324***	***13 029***	***13 321***
Community Facilities		70	–	–	170	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***70***	**–**	**–**	***170***	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	11 933	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***11 933***	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**396**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	26	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	***26***	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**1 221**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**2 194**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**2 385**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**1 164**	**–**	**–**	**–**	**–**	**–**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–

Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Table 42 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)					–			–		

		–	–	–		–	–		–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–

Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	(0)	(0)	(0)
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	(3 116)	3 036	–	3 252	3 480	3 723
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	(5 018)	4 774	–	5 104	5 461	5 844
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	(1 445)	1 515	–	1 729	1 850	1 979
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	(2 118)	2 091	–	2 196	2 317	2 479
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		–	–	–	**(11 697)**	**11 416**	–	**12 281**	**13 108**	**14 025**

4.8.1 POLICIES

The status of Policies is as follows:[19]

Table 43: Policies

Policy	Status
Tariff Policy	The Tariff Policy is one of the budget related policies that will be approved with the Annual Budget There is however concept tariffs structure available for the 2014/15 financial year.
Rates Policy	The Municipality has a Rates Policy in place.
Supply Chain Policy	The Municipality has a Supply Chain Policy in place.

Each year, the Municipality revises the tariffs and rates according to the latest legislation. For example, Circular 58 from National Treasury provided guidelines to the Municipalities on the increase of tariffs for the coming financial year. Siyathemba Municipality increased the tariffs with a higher percentage as was referred to in this Circular. The Municipality had to do this in order to better their position with regards to financial viability. The proposed tariffs and rates are communicated to the communities during the IDP, and SDBIP Public Participation Process.

The Municipality is busy with the General Valuation Roll and funds from the Financial Management Grant and the Municipal Systems Improvement Grant will be utilised for this purpose.

4.8.2 FINANCIAL SOURCES

The 7 year MTEF schedule is indicated in the tables above.

4.8.3 STAFFING OF THE FINANCE AND SCM UNITS

Most of the positions in the financial division on the current Organogram of the Municipality are filled. The position of the 2 Accountants are vacant.

The current structure of this Division (Organogram) does however support the work which the Division needs to perform and is not in line with latest legislation. The Chief Financial Officer also requested a person responsible for Risk Management and Asset Management. The Municipality did establish an Evaluation and an Adjudication Committee to take responsibility for the tender processes. There is however no Specifications Committee in place.

4.8.4 PAYMENT OF CREDITORS

The Municipal Finance Management Act stipulates that a Municipality needs to pay creditors within 30 days. The Municipality is currently not in the position to do this. The status with regards to payment of creditors is as follows:

19 Interview with Mr Nieuwenhuisen on 25 April 2012

- The Municipality succeeds to pay creditors within 30 days on capital projects.
- With regards to operational costs, the Municipality's cash flow and financial position is not in such a condition that payments can be made within 30 days. They prioritize the payment of local suppliers, as well as key clients/suppliers.
- On average, the CFO indicates that they pay creditors on an average of 128 days.

During this financial year, the Municipality started to implement a new Creditors System. They generate an Order for any expenses which is envisaged and payments are then made according to this Order. This System has made a positive contribution towards the management of payment of creditors.

4.8.5 FINANCIAL MANAGEMENT SYSTEMS

The Municipality is making use of the Sebata Financial Management System. This is a fully integrated Municipal Financial Management System. It consists of a minimum of 12 standard Modules, designed to be fully integrated, providing comprehensive and holistic municipal financial management functionality. The System is designed to run in small, medium and large Municipalities and has the built-in flexibility to run diverse methods of financial management. Sebata FMS conforms to various municipal accounting practices and reporting standards such as GAMAP, GRAP, SA National Government Statistics and SALGA.

Siyathemba Municipality is however not in the position to make use of all the functionalities of the System.

4.8.6 AUDIT GENERAL FINDINGS

Siyathemba Municipality submits their Annual report and Annual financial statements to National Treasury on an annual basis. As from The Auditor General withheld an opinion on the financial statements and issued a disclaimer.

4.8.7 CHALLENGES

1. The municipality is currently not financial viable. This is mainly due to low cost recovery, the structure of the tariffs for services, revenue collection, etc. The municipality is in need of a proper financial viability study which can describe the status quo and develop recommendations to turn around the financial situation of the municipality.
2. For the past number of years, the municipality is not in the position to obtain a clean audit.
3. The municipality succeeded in compiling asset register on immovable assets. Conditional assessments were also done as part of this exercise. The municipality must also now implement phase 2 of this programme.

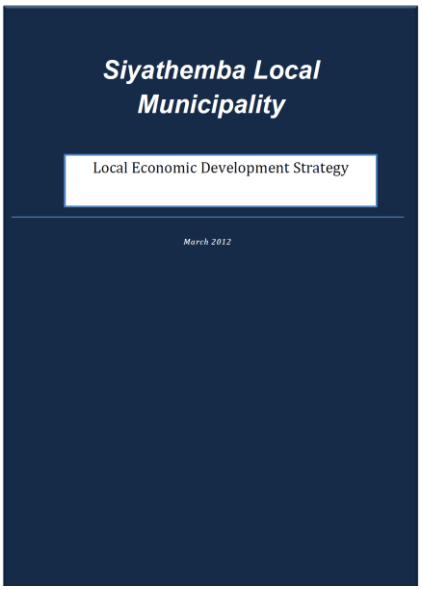
4.9 LOCAL ECONOMIC DEVELOPMENT

Strategic Objective	• **To create an economically conducive environment by implementing the LED Strategy of the municipality**
Intended Outcome	Improved Municipal Economic Viability

4.9.1 LOCAL ECONOMIC DEVELOPMENT STRATEGY

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

The Department of Economic Development and Tourism in the Northern Cape has recently concluded the development of its Provincial LED Strategy in line with the Northern Cape Growth and Development Strategy. These Strategies provide the foundation for Integrated Economic Development Planning throughout the Northern Cape. To provide the necessary implementation impetus at the local level, the Siyathemba Local Municipality embarked on a process of developing its own LED Strategy in line with provincial planning imperatives.



This Strategy is still a Draft Version and needs to be approved by Council.

4.9.2 UNEMPLOYMENT RATE

In the LED Strategy, Quantec Research 2012 data was used. It is indicated that the Unemployment rate for Siyathemba Municipality during 2009 was 34.7%. The table below indicates other relevant percentages with regards to the labour force.

Table 44: Regional Employment Indicators

Labour Indicators	South Africa		Northern Cape		Pixley Ka Seme DM		Siyathemba LM	
	2000	2009	2000	2009	2000	2009	2000	2009
Labour force ('000)	11,502	12,261	245	272	44	41	5	5
Unemployment rate (%)	30.2	25.1	27.0	27.6	27.7	33.0	26.8	34.7
Labour force participation rate (%)	61.1	52.0	52.5	53.3	54.0	53.6	53.2	57.4
Highly Skilled Workers	12.3%	12.7%	10.7%	11.7%	9.4%	10.9%	9.3%	10.4%
Skilled Workers	39.3%	42.7%	35.4%	39.7%	34.3%	38.6%	34.9%	37.8%
Semi- and unskilled workers	48.4%	44.5%	53.8%	48.6%	56.3%	50.6%	55.8%	51.8%

Source: Quantec Research, 2012

From this Table, the following observations were made:

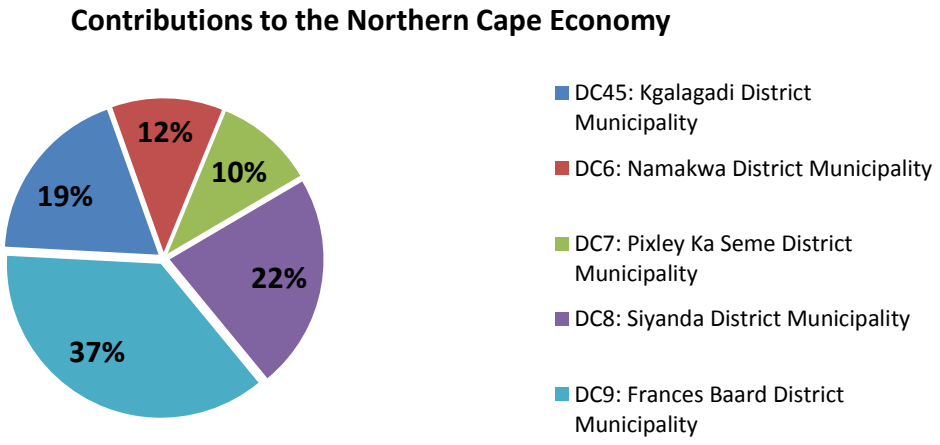
- While the number of jobs increased in South Africa, as well as the Northern Cape and Pixley Ka Seme between 2000 and 2009, it declined in Siyathemba.
- During 2009, the unemployment rate for Siyathemba was estimated at some 34.7%, which was slightly higher than the District Average. The unemployment rate has steadily increased in Siyathemba over the past decade.
- The labour force participation rate indicates the portion of working-age adults who are employed and those actively seeking employment. Since 2000, the portion of such adults increased from 53.2% to 57.4%.
- Compared to the other Regions under observation, a small portion of workers (10.3%) in Siyathemba can be classified as highly skilled. In fact, more than 52% of workers can be regarded as semi- or unskilled workers.

4.9.3 ECONOMIC PROFILE

4.9.3.1 Economy of the Northern Cape Province and Pixley ka Seme district

The Northern Cape Province is divided into five Districts and each District contributes to the economy of the Province. The Pixley ka Seme District is the poorest contributor, contributing 10%. Frances Baard is the biggest contributor at 36%.

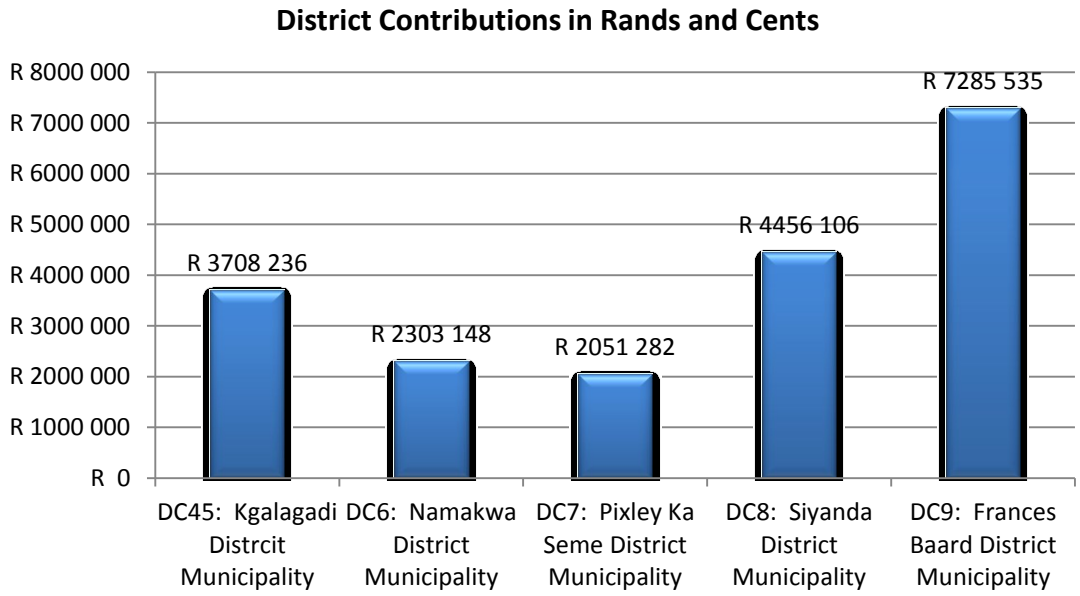
Figure 7: District Contributions to the Province in Percentage - 2005[20]



In Rands and cents, the district contributions to the economy of the Province are as follows.

20 Economic Data. Provided by DBSA. File received 14 March 2008.

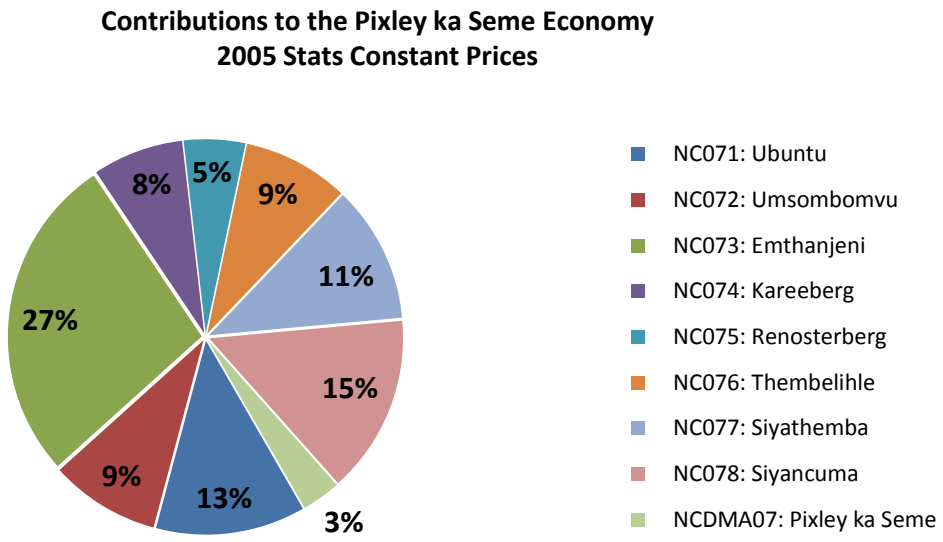
Figure 8: District Contributions in Rands and Cents - 2005[21]



The district economy is also dependent on the contributions of the local economies and in the Pixley ka Seme District, the biggest local contributor is Emthanjeni Local Municipality at 27%, followed by Siyancuma Local Municipality (15%), Ubuntu Local Municipality (13%) and Siyathemba Local Municipality (11%).

Figure 9: Local Contributions to the Economy of the District – 2005

21 Economic Data. Provided by DBSA. File received 14 March 2008.



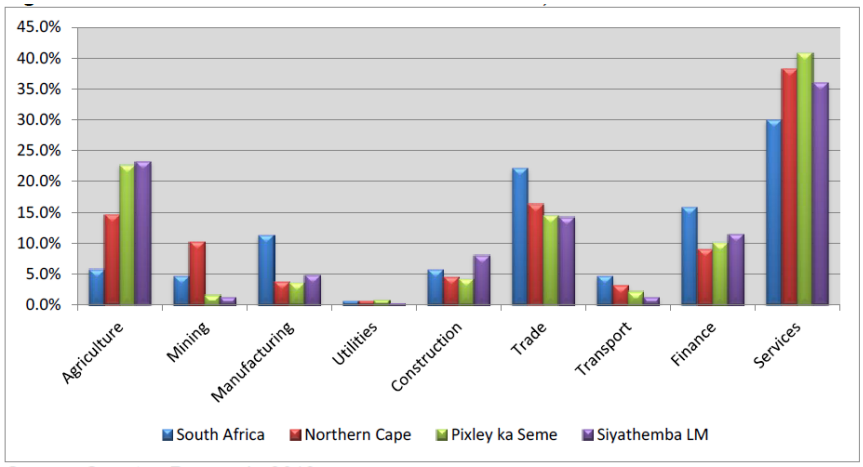
4.9.3.2 Sector Contributions to the Economy

The information in this sub section of the Report was taken directly from the LED Strategy from the Municipality. It provides an analysis of the local economy in the context of the National, Provincial, and District Environment.

a. Labour Profile Overview

The 2010 sectoral distribution of the labour force in South Africa, the Northern Cape, Pixley ka Seme and Siyathemba is illustrated in the figure below. From this Profile, it is evident that most workers in Siyathemba are employed in the Government Services Sector (around 1,700 workers), followed by Agriculture (about 1,100 workers) and the Trade (about 670 workers) sectors.

Figure 10: Sectoral distribution of the Labour Force

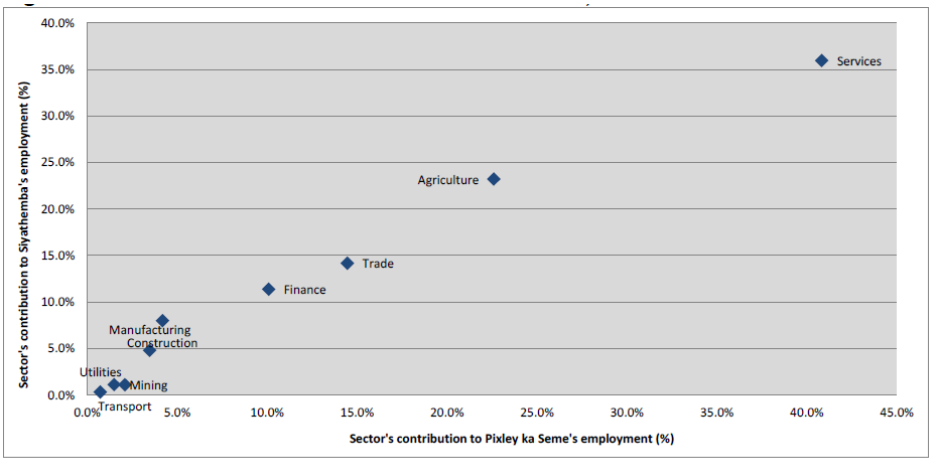


Source: Quantec Research, 2012

Figure 14 provides a closer comparison between the sectoral labour profiles of Pixley ka Seme and Siyathemba. When compared to the District, it can be observed that the labour force of Siyathemba is highly concentrated in the Services Sector, while the other Regions under observation have a more balanced labour distribution.

Local and Regional Trends in total employment are depicted by Figure 15. From this Figure, it is clear that total employment in Siyathemba has been in fluctuating over the last ten years. Moreover, employment in the Study Area declined marginally from some 4,800 jobs during 2000 to just below 4,700 in 2010. Over a ten-year period, this could be translated to an average annual decline of 0.2%. Over the same period, employment in Pixley Ka Seme declined by 1.3% on average per annum, while that of the Northern Cape and South Africa increased by 0.9% and 0.5% respectively.

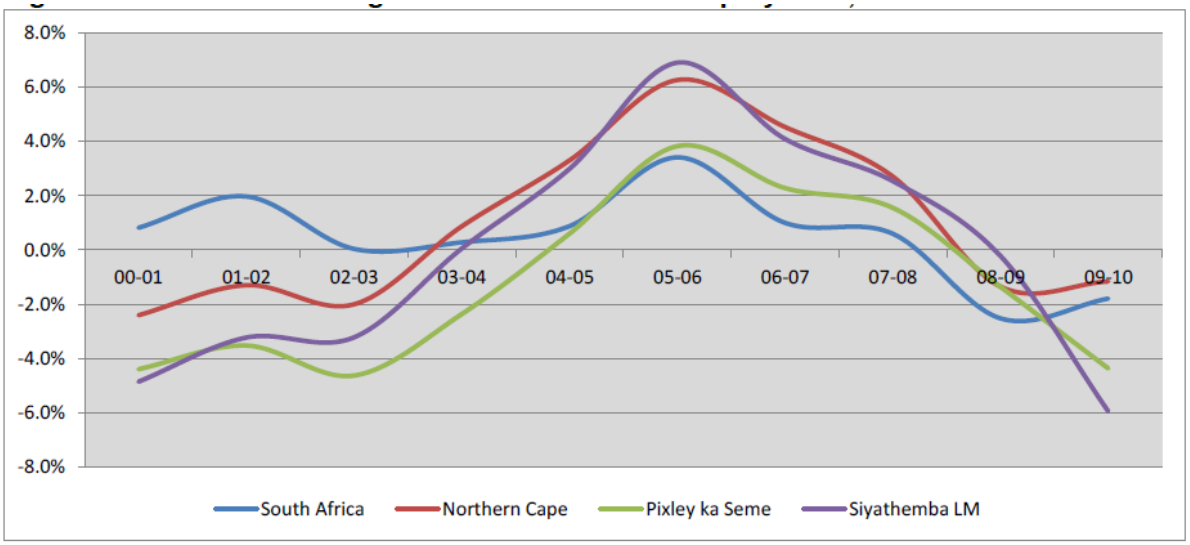
Figure 11: Sectoral distribution of the Labour Force



Source: Quantec Research, 2012

It is also observed that local employment trends are not well-integrated with that of the larger Region, which could be attributed to the concentrated nature (in the Agriculture sector) of the local economy. In contrast, employment trends in Pixley ka Seme, the Northern Cape and South Africa follow growth profiles that are better correlated due to higher levels of diversity in these economies. The threat presented by employment vulnerability and its socio-economic implications for local communities in Siyathemba cannot be emphasised enough.

Figure 12: Local and Regional Trends in Total Employment 2011



Source: Quantec Research, 2012

Employment growth is broken down by sector in Table 24. From this Table, it is evident that employment in the Mining Sector (-7.9% p.a.) has been in steep decline over the past decade, followed by Transport (-5.3%) and Agriculture (-4.9%).

Table 45: Average Annual Employment Growth by Sector, 2000-2010

Sector	South Africa	Northern Cape	Pixley Ka Seme DM	Siyathemba LM
Agriculture	-7.3%	-5.5%	-6.2%	-4.9%
Mining	2.8%	3.9%	0.5%	-7.9%
Manufacturing	-1.2%	-3.2%	-2.4%	4.1%
Utilities	1.1%	2.5%	1.8%	-2.0%
Construction	0.1%	-0.3%	-3.4%	1.5%
Trade	1.1%	2.2%	-0.5%	-1.2%
Transport	2.1%	3.1%	-2.1%	-5.3%
Finance	2.6%	5.3%	7.6%	6.6%
Services	1.6%	3.1%	1.4%	3.2%
Total	**0.5%**	**0.9%**	**-1.3%**	**-0.2%**

Source: Quantec Research, 2012

When these employment trends are compared with those observed for GDP, it is noted that total employment declined over the past decade (by 2.5% p.a.) while the economy grew by 2.0% per annum in GDP terms. This phenomenon is referred to as "jobless growth" which implies that local economy is becoming less labour intensive and more capital intensive.

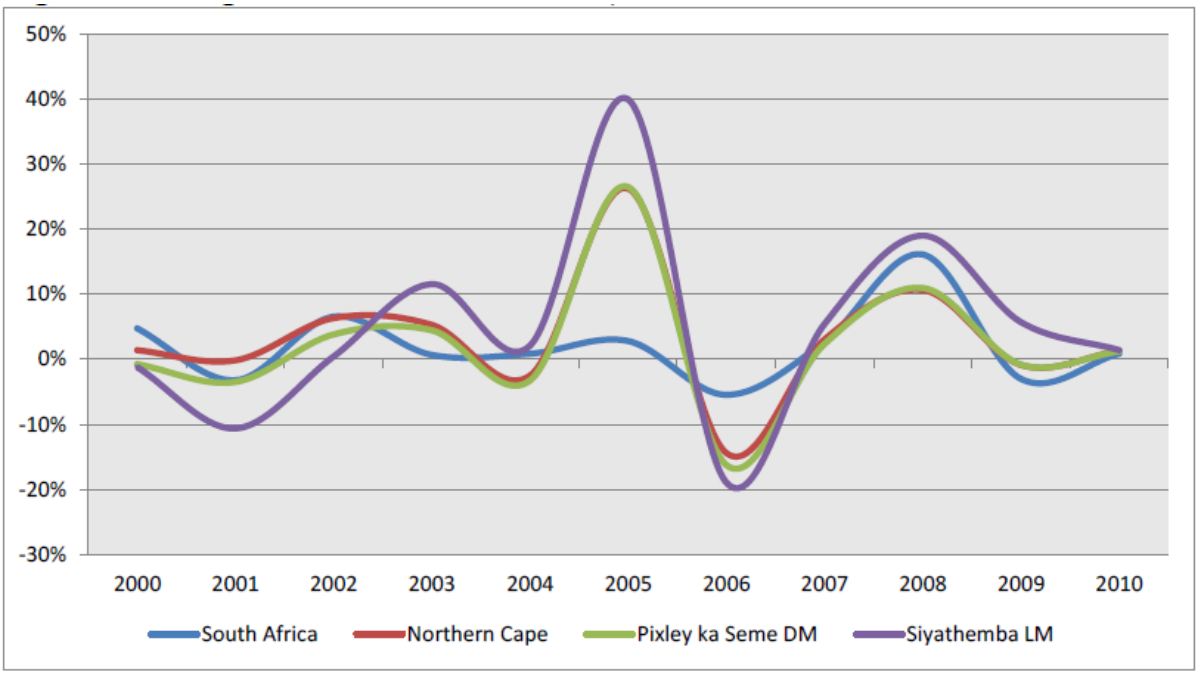
4.9.4 POTENTIAL SECTORS[22]

4.9.4.1 Agriculture Sector

The Orange River runs through the Municipality and provides ideal conditions for irrigation farming in Siyathemba, especially the cultivation of grains and vegetables. The main livestock farming in the Region includes cattle, sheep and goat farming. Game farming also takes place in the area and aids in the development of tourism and hunting activities.

The figure below indicates the Agricultural Production Growth of Siyathemba from 2000 to 2010, compared with the District, the Province and South Africa. It is apparent that Siyathemba follows a similar production trend to that of Pixley ka Seme and the Northern Cape Province. The Region experienced extensive agricultural growth from 2006 to 2008.

Figure 13: Agriculture Sector Growth



22 LED Strategy, March 2012

Development Potential

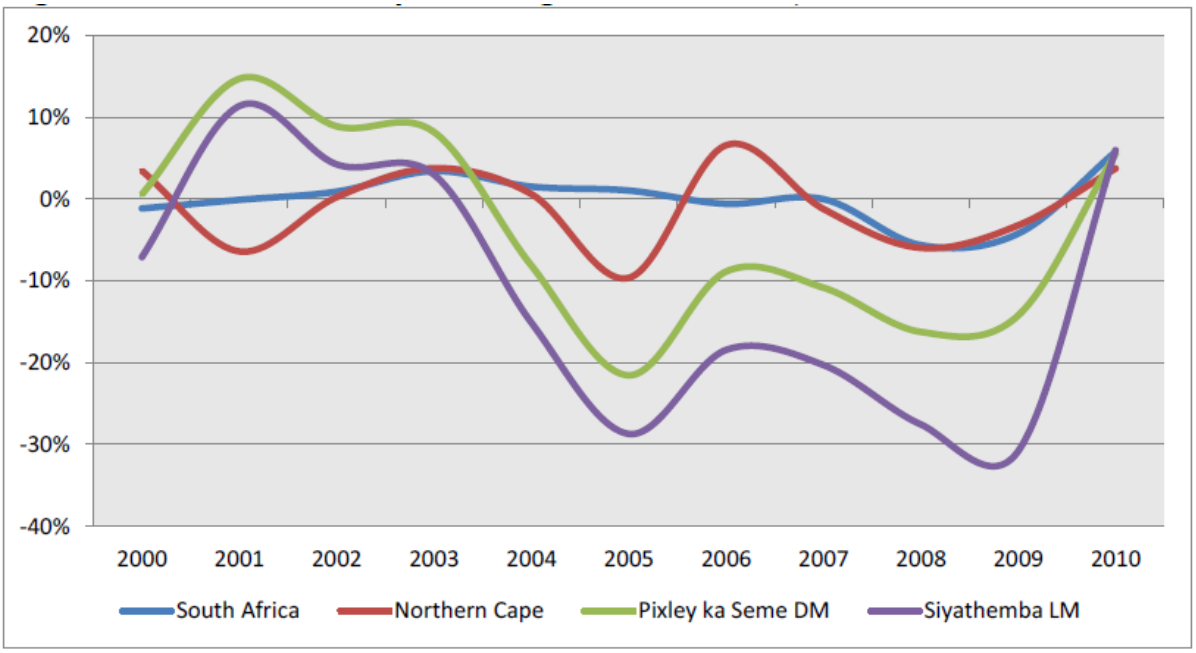
- Crop farming could be significantly expanded if market demand could be improved. This is especially relevant for irrigated production along the Orange River.
- Hydroponic production may be well-suited to the area, due to the warm climate (i.e. energy cost saving for hydroponic projects) and available water.
- Sheep farming could be expanded and beneficiated locally.
- The local beneficiation of crops can provide valuable local revenue.
- Electricity shortages could be alleviated through local production. This could justify investment in a local solar power plant.
- The agricultural sector should be diversified to include higher value products such as essential oils.
- A poultry and broiler project could be implemented as part of an Emerging Farmer Support Programme.
- A piggery project could be introduced as part of an Emerging Farmer Support Programme.
- Game farming in the area could be expanded to bolster the production of meat. This could then be linked to investment in a local abattoir.
- There should be a greater focus on agriculture in Schools to change the perception of young people that farm work is not "prestigious". It should be instilled that it is better to work on a farm than being unemployed.
- Early Childhood Development Programs should be made available to farm workers (on farms).
- An Agricultural School or College should be developed in the municipal area to foster skills development in the agricultural sector and retain these skills within the local economy.

4.9.4.2 Mining

The main deposits in Siyathemba include possible alluvial diamond mining along the Orange River, various semi-precious stones, such as tiger-eye and zinc deposits. The Region also has various saltpans for the potential of salt production.

The Figure below indicates the Mining Production Growth of Siyathemba from 2000 to 2010, compared with the District, the Province and South Africa. It is evident that Siyathemba follows a slightly lower production trend to that of the Pixley ka Seme District's mining sector from 2000 to 2010.

Figure 14: Mining Sector Growth



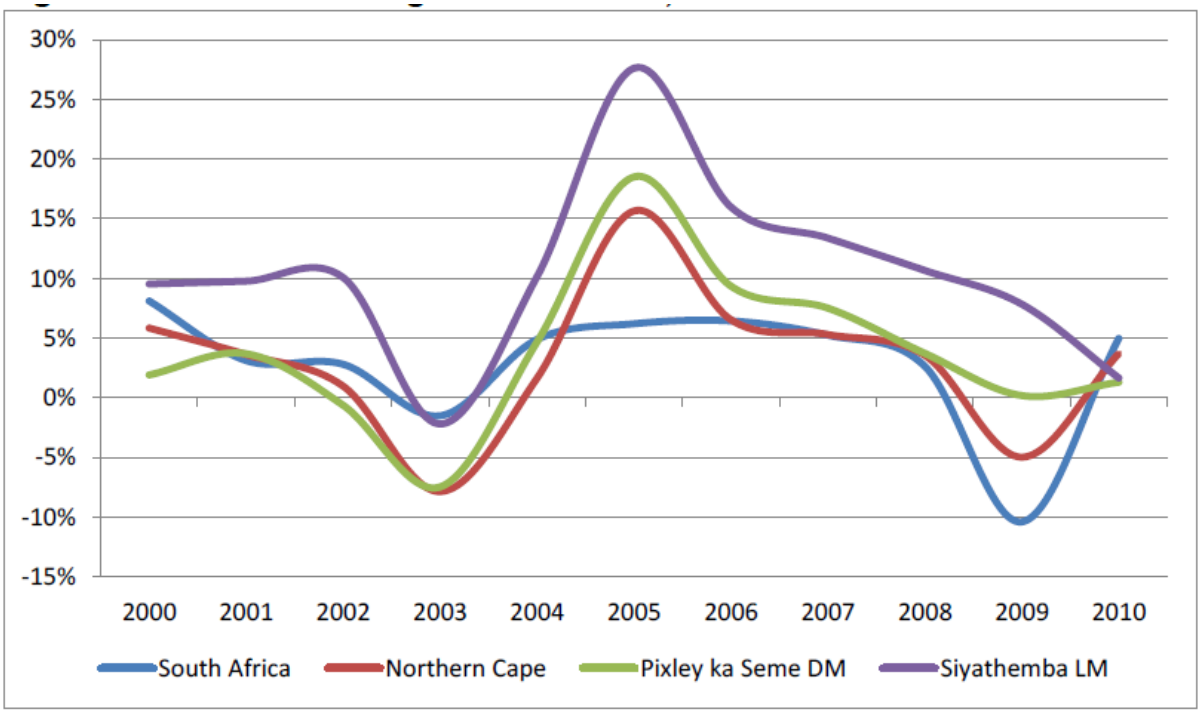
Development Potential

- Semi-precious stones should be commercially mined and locally beneficiated.
- Building sand and clay could be mined throughout the area, especially along the Orange River.
- Locally extracted clay could be used for manufacturing building bricks.
- A local gemstone beneficiation plant can be refurbished and engaged in production again. This pant could be used to cut and polish locally mined semi-precious stones.
- The production and packaging of table salt and salt products is a viable option to gain valuable sources of revenue.

4.9.4.3 Manufacturing

Agro-processing is the main Manufacturing activity in Siyathemba, which consists of the production of various plant and meat products. Figure 3.5 indicates the Manufacturing Production Growth of Siyathemba from 2000 to 2010 as compared with the District, the Province and South Africa. From the Figure below, it is evident that Siyathemba follows a relatively higher production trend to that of the Pixley Ka Seme District's manufacturing sector, except for a decline post-2009.

Figure 15: Manufacturing Sector Growth



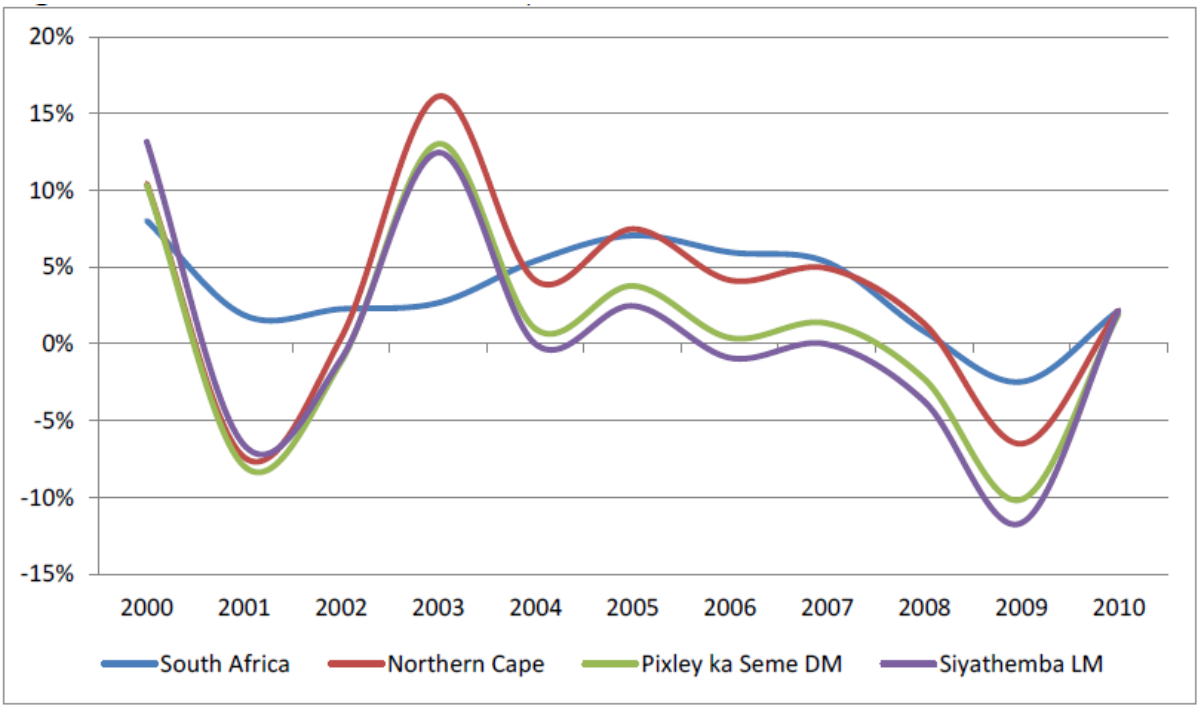
Development Potential

- The opportunity exists to establish an agro-processing plant in Prieska, thereby beneficiating produce from the agriculture sector.
- Investment in a local recycling plant (paper, plastic and glass) provides a good opportunity to expand job creation.
- The implementation of Training and Skills Development Programmes in local communities (focused on the youth).
- The local production of solar panels that could supply the Utilities Sector of the Northern Cape.
- The production of local Arts & Crafts (such as bead work) for the tourism market will provide much needed revenue to the area.
- Investment in a local leather tannery, cotton gin, game abattoir and a chicken broiler house will provide opportunities for beneficiation of agricultural produce.
- 7. Investment in a construction equipment plant will expand manufacturing opportunities, as well as provide for skills development in the area.

4.9.4.4 Retail and Wholesale

The Figure below indicates the Wholesale and Retail Trade Sector Production Growth of Siyathemba from 2000 to 2010, compared with the District, the Province and South Africa. It is apparent that Siyathemba experienced a slightly lower production trend to that of the Pixley ka Seme District's Trade sector, however the sector showed positive growth in 2010.

Figure 16: Trade Sector Growth



Development Potential

- There may be opportunities to invest in a new small grocery shop and restaurant in Prieska.
- Railway infrastructure should be restored and placed back into operation to reduce the cost of bulk transport.
- Training and registration assistance should be provided to construction workers. This initiative must be aimed at placing these workers in a position where they can operate their own businesses and tender for government contracts.
- Entrepreneurship Training and Development Programs should be implemented in local communities to facilitate the development of SMMEs.

4.9.4.5 Tourism

The town of Prieska is located on the south bank of the Orange River at the foot of the Doringberg. It was originally named Prieskap, a Khoisan word meaning „"lace of the lost she-goat". The site of the town, founded in 1882 and renowned for its semiprecious stones, was a fording place used by early travellers.

The following are the main tourism attractions in the Region:

- 1. Die Bos Nature Reserve
- 2. British Fort
- 3. Green Valley Nuts

- 4. The Oranjezicht and The "Keikamspoort Hiking Trails
- 5. Khoisan Rock Art
- 6. Memorial Garden
- 7. Prieska Museum
- 8. Ria Huysamen Aloe Garden
- 9. Schumann Rock Collection
- 10. Wonderdraai Island

Development Potential

- Resort and adventure tourism along the Orange River will result in enticing tourists to explore the Region for longer and staying for lengthier periods of time.
- The "Die Bos" area could be developed into a tourism resort with associated adventure tourism activities, such as water sports and hiking.
- Expanding the game tourism and hunting industry can enhance the eco-tourism profile of the Region.
- Mineral processing tourism can become an inviting prospect for visitors. If the old gemstone processing plant can be renovated, it could also become a popular tourist destination.
- A local attraction known as "Die Koppie" could facilitate local festivals.
- The area should develop a unique tourism brand of its own and marketed on various platforms.
- Investment in a new casino near Prieska may attract travelers from all over.
- The re-routing of the N10 highway through Prieska will provide tourists the opportunity to appreciate the town and view it as a stop-over or destination on its own.

4.9.5 JOB CREATION AND ANCHOR DEVELOPMENT INITIATIVES BY THE LM

4.9.5.1 Local Economic Development Key projects

a. The Bos Development

The turn-around and rejuvenation of the "Die Bos" Holiday Resort in Prieska have been identified by the Siyathemba Municipality as a priority project for tourism development in the Northern Cape Province. This is an important development initiative to the Municipality as one of its mandates to utilise our municipal assets as a catalyst for economic development and growth.

The focus of this development initiative includes four different properties which border each other. All four properties are situated in the town of Prieska. These entail areas like [1] Die Bos Holiday Resort situated on the bank of the Orange River, [2] Prieska Golf Course, [3] Die Koppie Nature Garden, and the [4] the Municipal Settling Ponds. For the purpose of the feasibility study, the four properties should be viewed as one entity to be considered for further development. All four properties belong to the Siyathemba Municipality.

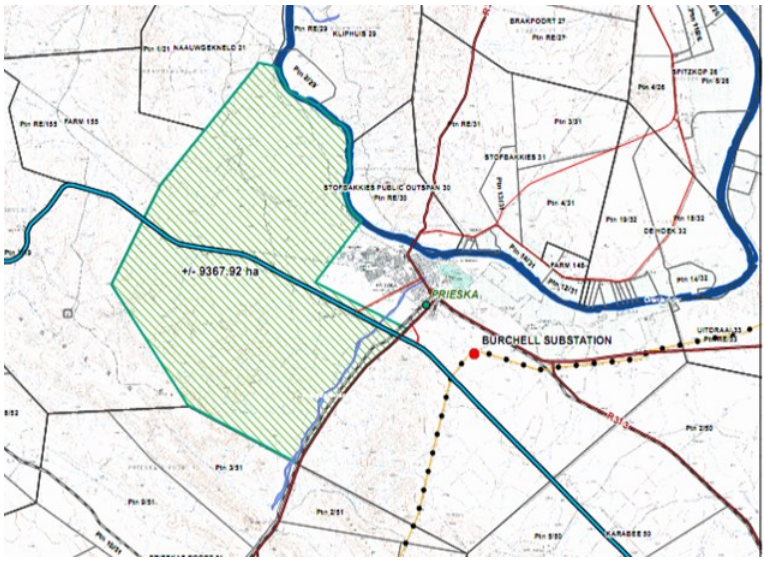
The Siyathemba Municipality believes that additional and large projects like the international SKA, the Renewable Energy boom (Solar Park and IPP's) that's coming; a potential Industrial Zone Development and new Secondary Industry Development projects will have a major boost on the proposed "Die Bos" development project.

A new Feasibility Study Objective will be to:

- Consider the initial feasibility study findings and analysis the original business impressions.
- Determine the market demand and advice the Municipality on Innovative and Commercial foci like an integrated golf estate development combined with business that can draw huge numbers; e.g. a casino, etc.
- Identify additional and stimulating segments to ensure the commercial success of the project.
- Propose creative but sustainable cultural and arcade improvement initiatives to the benefit of both the municipality, the public at large and the business communities.

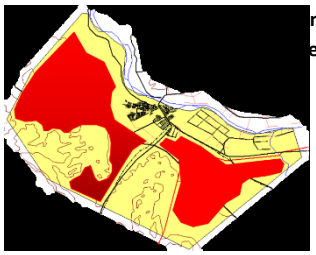
- Develop practical ways to develop and upgrade, refurbish, rehabilitate, and to maintain the existing facilities.
- Propose optimal consideration and enhancement of fauna, flora and aquatic features; like constructing a weir in the Orange River to enhance the landscape, suggested commerce and nature preserve.
- Propose a vibrant marketing tool as branding medium for both the resort and the municipality.
- Propose an integrated development approach taking into consideration the new and upcoming developments.
- Consider the provincial and national tourism strategies and trends.
- Compilation of locality Maps and Artists Impression.
- Propose an appropriate management, maintenance and operational model for the resort to ensure sustainability.
- Ensure public buy-in and create jobs and business opportunities for the local community.

b. Solar Energy Project



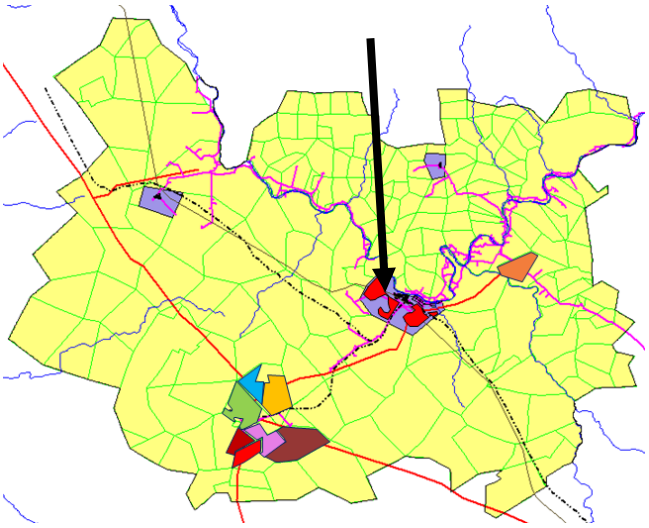
The Siyathemba LM identified Alternative Energy Development as an Anchor economic activity. The Siyathemba Council signed an MOU with the Department of Energy for a 5 000ha of Commonage Land to develop a Prieska Solar Park to initially generate 1 GW of Solar Energy into the Eskom Grid with the possible expansion if the space permits utilising variety of technologies. The "**Proposed Land**" has to be identified from Erf 01 in Prieska and/or alternatively on Erf 260 in Marydale on the communal Land. Council permitted the Mayor and the then Acting Municipal Manager to **Sign the MOU** and then to conclude with a complementary round of Community Participation with the Minister as it were on the 20th of October 2012. It is also necessary to note that the Council also declared its municipal area as a **Nodal Point** for growth to participate and develop in the proposed Solar Park and Secondary Stream Developments to enhance poverty and unemployment reduction. The studies for this proposed Solar Park has started and should the Steering Committees be ready with a Draft Concept by August 2013.

Commonage Land



Before Council signed an agreement with the DoE to develop a Prieska Solar Park Council already contracted three Solar Investors. These IPP Contractors are Chameral Property Development, Khweza Powers and Maxwell Moss and Associates for 1095, 60 and 363 ha's consecutively. All four contracts add up to 6 518Ha of Commonage land. MMA is the only company with an optional PPA Contract.

Their contracts provides for an interim rental fee whilst they applying for their permits with a permanent rental fee once the permits get issued. Council later agreed to sign Amendments to their Lease Agreements in order to bring their Contracts in line with expectations as requested by the Nersa and Eskom PPA application requirements. We also allowed them to register those agreements against our Title Deed with the office of the Surveyor General and we gave them permission to sub-lease for financial security with their Investors.



Siyathemba Municipal Boundary
Private IPP's

Besides the four Municipal Contracts keen interest is shown by Independent Power Producers (IPP) between the Prieska and Copperton areas on private land to the extent of 1.18GW, Mulilo is the first company who has been allocated a permit for 19.5MW during the second bidding phase. The rest of the IPP Contractors are preparing themselves for bidding in the third and fourth rounds.

Herewith a list of all interested Companies:

Company	Farm	Technology
Mainstream	Mierdam 1	PV
	Mierdam 2	Wind
	Platsjambok 1	PV
	Platsjambok 2	Wind
Mulilo	Vogelstruisbult	PV
	Hoekplaas	PV
	Klipgats	PV
Juwi	Nelspoortjie	Wind
Jouren	Holsloot	PV

Dept of Energy	Siyathemba Mun	Mix
Chameral Prop Dev	Siyathemba Mun	PV
Maxwell Moss and Associates	Siyathemba Mun	PV
Khweza Power	Siyathemba Mun	PV
Plan 8	ModderPan	PV
	2 180 MW	

Regular consultation at Council Imbizo's and Ward Committee meetings is taking place to inform and prepare the communities about these developments. Discussions and negotiations around the required Solar Development Trusts are underway. The entire project will entail a Solar Park and almost 8 to 12 IPP Power Producers. Our Municipality can only be negotiated for the compulsory social and labor arrangement as well as for the employment and smme opportunities with them.

The Municipal Council are in discussions with a number of Companies because of the latter developments to lease land for manufacturing, agricultural, mining, housing and tourism related developments as part of our Secondary Industry Development plans.
These initiatives propel the Council to urgently look at enhancing our own technical capacity and strategic planning like;

- Spatial Development Framework
- Roads, works and storm water master planning
- Water and Sanitation master plan
- Electricity and Energy Infrastructure and Distribution
- Civil Engineering and Design
- IT Hub and Technology Development
- Physical and Cyber Security Planning

The following are pressing challenges in pursuit of our developmental goals;

- Non-disclosure of bidding information by IPP contractors
- Lack of regulations in relation to leases and wages
- Absence of a single coherent approach to the question of community benefit (Community Trusts)
- Slow Eskom Grid development can delay the implementation of national targets
- Historical infrastructural backlog
- Ailing electricity network
- Two thirds of household electricity supply serviced by Eskom in Municipal areas
- Low Skills shortages and Literacy Levels
- Absence of disaster management unit
- Huge housing backlog
- High unemployment
- HIV / AIDS and TB
- Asbestoses
- Sanitation with Water Distribution Challenges
- Limited Municipal resources

- Absence of strategic planning
- Engineering Surveys and Strategic Planning Capacity

Opportunities

- Renewable Energy Development
- A Single and all-encompassing Trust for all IPP Contractors
- Siyathemba a Gateway to SKA opportunities
- Underutilised prime agricultural land and Agro processing
- Sufficient water with rights and water extraction abilities
- Untapped Mining Development and Value adding
- Secondary Industry Development opportunities
- Aquaculture
- Sufficient land for multi Industry development
- Enterprise Development
- Tourism Development
- Sound economic development plan
- Enhance local community economic development benefit
- Require planning capacity development
- Infrastructure Development
- Training - The Siyathemba Municipality have appointed a serves provider to pursue and implement its Siyathemba Integrated Education and Skills Development Initiative (SIESDi).

c. Aqua – Commercial Fish Farming Project by the DTi

The DTI and Pixley Ka Seme DM intend to put up Fish Dams for Fish Farming purposes on the Orange River. Aqua Eco have subsequently developed a feasibility study for the DTi on behalf of the Pixley Ka Seme DM and their findings suggest Prieska should be the site for the pilot project. This study included all the municipalities on the banks of the Orange River. The Siyathemba Municipality was identified as ideal for the pilot project provided.

A feasibility study prepared by AquaEco guided the DTI and the Pixley Ka Seme District Municipality on whether it is economically viable to establish a pilot aquaculture enterprise in Prieska. The study determines fish species/crops that could be farmed in these areas and the associated market feasibility. Prieska based on the outcome of the feasibility studies on certain parts of the Orange River and on the wastewater treatment plants within the municipal jurisdiction of the Pixley ka Seme District Municipality is deemed favourable, a complimentary business plans will be compiled.

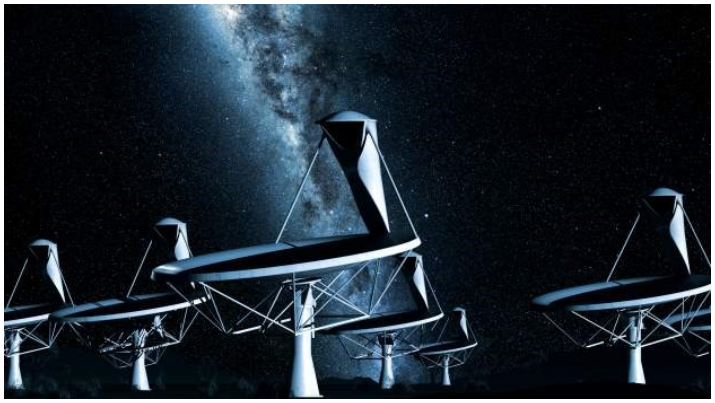
The objectives of the assessment were:

- To determine whether it is feasible to set up a community based aquaculture enterprise in Prieska.
- To investigate the possibility of including hydroponics farming linked to the aquaculture enterprise.

- To determine the kind of fish species that will be suitable for the areas given the Northern Cape climate.
- To advise on the kind of crops that could be planted in association with the fish farming activities.
- To identify the best possible form of a business model that should be used in the implementation of such an enterprise.
- To develop a business plan or make recommendations to investigate other enterprise possibilities.

d. SKA Strategic position outside the Demarcated Area

The SKA will be a revolutionary radio telescope made of thousands of receivers linked together across an area the size of a continent. The total collecting area of all the SKA receivers combined will be approximately one square kilometer, making the SKA the largest and most sensitive radio telescope ever built. South Africa has submitted a bid to host the €1.5-billion Square Kilometer Array (SKA). South Africa, allied with eight other African countries, is competing against Australia (allied with New Zealand) to host the SKA, an instrument 50-100 times more sensitive and 10 000 times faster than any radio imaging telescope yet built.



The SKA will give astronomers insight into the formation and evolution of the first stars and galaxies after the Big Bang, the role of cosmic magnetism, the nature of gravity and possibly life beyond Earth. If history is any guide, the SKA will make many more discoveries than we can imagine today.

Industry participation with the SKA offers the potential for involvement across a range of engineering and computing disciplines. The SKA expects to collaborate with a variety of industry partners, including niche R&D companies, followed by increasing engagement through commercial contracts with high-volume manufacturers, technology systems vendors, site services and installation firms, and power and data transmission specialists. Industry will play a crucial role in the delivery and through - life support of the SKA technologies and infrastructure. The scale of the SKA, and the need to mass produce components, requires

industry engagement on a scale unprecedented in radio astronomy. The involvement of organizations with experience and expertise in delivering demanding technological specifications within a production cost envelope will be essential.

The technology types to be set up by this Project is highly sensitive and will not allow any mayor economic and signal developments within a certain core field hence the opportunity for secondary industries to be develop on the outskirts of their footprint actions. The Siyathemba municipal area with De Aar and Upington falls just outside this area and offers the ideal platform for business opportunities if they can make the most out of it.

The Siyathemba LM has also identified the possible economic spin-offs from being strategically positioned just outside the demarcated area of the SKA Area. Prieska will therefore be in a position to benefit from major industrial and economic activity which will NOT be allowed or possible within the SKA demarcated area for NO or LOW industrial activity and communication.

As a neighboring municipality we can compete for opportunities along the following lines;

- Water from the Orange River with a current 56% underutilized purification works of about 15 000kl/24hr.
- A water pipe line that exist and run for approximately 70km towards the same direction, as designed and erected for the water supply to the then Copperton as a Copper mine.
- Good but underutilized rail and road networks that exist to serve these areas.
- Food security for this anticipated industries.
- Property development.
- Appropriate recycling.
- Contracts with high-volume manufacturers.
- Site services and Installation firms.

We intend to involve ourselves as a municipality regarding this project and we are slowly putting mechanisms in place to act once the project is geared. Council took a decision and called upon management to seize the moment.

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

e. Challenges

1. An LED strategy has been developed and was approved by council during 2012. Activity plans then needs to be developed to implement the recommendations made in this strategy.
2. The municipality have identified 3 Anker project for economic development, but no project execution plans exist for these initiatives.

5 STRATEGIES

5.1 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

- To ensure service delivery planning within the municipality by developing all sector plans and thereby ensuring that the residents of the municipality are happy.
- To improve the Operations and Maintenance planning and implementation by aligning O & M Budgeting and implementation

5.2 PUBLIC PARTICIPATION AND GOOD GOVERNANCE

- To ensure good governance by convening regular standing committee meetings of council and ensure MPAC functionality.
- Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality

5.3 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

- To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality.
- To improve low staff performance and the misalignment of the organisational structure with the strategic objectives through a wholesale organisational redesign process.
- To improve poor performance and compromised service delivery thereby targeting low skills base within the municipality by developing and implementing a vibrant Workplace Skills Plan.
- To improve the low staff morale and mistrust amongst employees by engaging in a focused employee assistance programme.

5.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

- To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.
- To ensure the prudent management of the current asset base and expand the financial assets of the municipality through improved asset management.
- To strengthen the service delivery budget by sourcing extra funds

5.5 LOCAL ECONOMIC DEVELOPMENT

- To create an economically conducive environment by implementing the LED Strategy of the municipality